# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

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# FORM 10-Q

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**(Mark One)**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended September 30, 2024**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from ____________________ to ____________________**

**Commission File Number: 001-40808**

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# Greenidge Generation Holdings Inc.
**(Exact Name of Registrant as Specified in its Charter)**

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| | |
|---|---|
| **Delaware** | **86-1746728** |
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **590 Plant Road, Dresden, New York** | **14441** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**Registrant's telephone number, including area code: (315) 536-2359**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Class A Common Stock, $0.0001 par value | GREE | The Nasdaq Global Select Market |
| 8.50% Senior Notes due 2026 | GREEL | The Nasdaq Global Select Market |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| | | Emerging growth company | ☒ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 6, 2024, the registrant had 8,424,415 shares of Class A common stock, $0.0001 par value per share, outstanding and 2,733,394 shares of Class B common stock, $0.0001 par value per share, outstanding.

## Table of Contents

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes certain statements that may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws. These forward-looking statements involve uncertainties that could significantly affect our financial or operating results. These forward-looking statements may be identified by terms such as “anticipate,” “believe,” “continue,” “foresee,” “expect,” “intend,” “plan,” “may,” “will,” “would” “could” and “should” and the negative of these terms or other similar expressions. Forward-looking statements are based on current beliefs and assumptions that are subject to risks and uncertainties and are not guarantees of future performance. Forward-looking statements in this document include, among other things, statements regarding our business plan, business strategy and operations in the future. In addition, all statements that address operating performance and future performance, events or developments that are expected or anticipated to occur in the future, including statements relating to creating value for stockholders, are forward-looking statements.

Forward-looking statements are subject to a number of risks, uncertainties and assumptions. Matters and factors that could cause actual results to differ materially from those expressed or implied in such forward-looking statements include but are not limited to the matters and factors described in Part I, Item 1A. “*Risk Factors*” of the most recent Form 10-K of Greenidge Generation Holdings Inc. (“Greenidge,” the “Company,” “we,” “us,” or “our”) filed with the Securities and Exchange Commission ("SEC") and in this Quarterly Report on Form 10-Q, as well as those described from time to time in our future reports filed with the SEC, which should be reviewed carefully. Please consider Greenidge's forward-looking statements in light of those risks.

## PART I—FINANCIAL INFORMATION

### Item 1. Financial Statements

**Greenidge Generation Holdings Inc.**
**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**
**(in thousands, except share and per share data)**

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents, including restricted cash | $ 7,570 | $ 13,312 |
| Digital assets | 3,845 | 347 |
| Accounts receivable | 1,212 | 358 |
| Prepaid expenses and current other assets | 1,776 | 3,864 |
| Emissions and carbon offset credits | 5,474 | 5,694 |
| Income tax receivable | 946 | 857 |
| Total current assets | 20,823 | 24,432 |
| LONG-TERM ASSETS: | | |
| Property and equipment, net | 30,396 | 45,095 |
| Other long-term assets | 1,477 | 1,652 |
| Long-term assets held for sale | 7,184 | — |
| Total assets | 59,880 | 71,179 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | 2,557 | 3,495 |
| Accrued emissions expense | 6,146 | 10,520 |
| Accrued expenses | 4,171 | 6,116 |
| Short-term environmental liability | 1,613 | 363 |
| Contract liability | 2,200 | — |
| Current liabilities held for sale | 314 | 483 |
| Total current liabilities | 17,001 | 20,977 |
| LONG-TERM LIABILITIES: | | |
| Long-term debt, net of deferred financing fees | 69,535 | 68,710 |
| Environmental liabilities | 28,616 | 29,866 |
| Other long-term liabilities | 2,777 | 2,650 |
| Total liabilities | 117,929 | 122,203 |
| COMMITMENTS AND CONTINGENCIES (NOTE 10) | | |
| STOCKHOLDERS' DEFICIT: | | |
| Preferred stock, par value $0.0001, 20,000,000 shares authorized, none outstanding | — | — |
| Common stock, par value $0.0001, 500,000,000 shares authorized, 10,671,337 and 9,131,252 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively | 1 | 1 |
| Additional paid-in capital | 328,129 | 319,992 |
| Cumulative translation adjustment | (348) | (345) |
| Common stock subscription receivable | — | (698) |
| Accumulated deficit | (385,831) | (369,974) |
| Total stockholders' deficit | (58,049) | (51,024) |
| Total liabilities and stockholders' deficit | $ 59,880 | $ 71,179 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

## Greenidge Generation Holdings Inc.
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)**
**(in thousands, except per share data)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| REVENUE: | | | | |
| Datacenter hosting | $ 6,490 | $ 12,136 | $ 22,247 | $ 28,740 |
| Cryptocurrency mining | 3,267 | 6,602 | 15,041 | 17,033 |
| Power and capacity | 2,594 | 2,141 | 7,118 | 4,973 |
| EPCM consulting services | — | — | 335 | — |
| Total revenue | 12,351 | 20,879 | 44,741 | 50,746 |
| OPERATING COSTS AND EXPENSES: | | | | |
| Cost of revenue - datacenter hosting (exclusive of depreciation) | 4,941 | 9,432 | 16,644 | 20,830 |
| Cost of revenue - cryptocurrency mining (exclusive of depreciation) | 2,599 | 4,458 | 9,504 | 10,639 |
| Cost of revenue - power and capacity (exclusive of depreciation) | 1,764 | 1,465 | 4,607 | 4,762 |
| Cost of revenue - EPCM consulting services (exclusive of depreciation) | — | — | 183 | — |
| Selling, general and administrative | 3,730 | 6,662 | 13,394 | 22,724 |
| Depreciation | 3,390 | 3,383 | 9,909 | 10,368 |
| Impairment of long-lived assets | — | 4,000 | 169 | 4,000 |
| Gain on digital assets | (156) | — | (204) | — |
| Loss (gain) on sale of assets | 693 | — | 661 | (1,752) |
| Remeasurement of environmental liability | — | 1,600 | — | 1,600 |
| Total operating costs and expenses | 16,961 | 31,000 | 54,867 | 73,171 |
| Operating loss | (4,610) | (10,121) | (10,126) | (22,425) |
| OTHER INCOME (EXPENSE), NET: | | | | |
| Interest expense, net | (1,832) | (3,040) | (5,439) | (9,725) |
| Change in fair value of warrant asset | — | — | (420) | — |
| Gain on sale of digital assets | — | — | — | 398 |
| Other expense, net | — | — | — | (4) |
| Total other expense, net | (1,832) | (3,040) | (5,859) | (9,331) |
| Loss from continuing operations before income taxes | (6,442) | (13,161) | (15,985) | (31,756) |
| Benefit from income taxes | (118) | — | (118) | — |
| Net loss from continuing operations | (6,324) | (13,161) | (15,867) | (31,756) |
| Loss from discontinued operations, net of tax | (43) | (1,078) | (12) | (696) |
| Net loss | $ (6,367) | $ (14,239) | $ (15,879) | $ (32,452) |
| | | | | |
| Comprehensive Loss | | | | |
| Net Loss | (6,367) | (14,239) | (15,879) | (32,452) |
| Foreign currency translation adjustment | — | (12) | (3) | 15 |
| Comprehensive loss | $ (6,367) | $ (14,251) | $ (15,882) | $ (32,437) |
| | | | | |
| **Net (loss) income per share, basic and diluted:** | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Net loss per share from continuing operations, basic and diluted | $ | (0.60) | $ | (1.81) | $ | (1.58) | $ | (5.01) |
| Loss per share from discontinued operations, basic and diluted | | — | | (0.15) | | — | | (0.11) |
| Net loss per share, basic and diluted | $ | (0.60) | $ | (1.96) | $ | (1.58) | $ | (5.12) |
| | | | | | | | | |
| Weighted average shares outstanding, basic and diluted | | 10,652 | | 7,262 | | 10,040 | | 6,341 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

# Greenidge Generation Holdings Inc.
## CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT (UNAUDITED)
### (in thousands, except share data)

| | Common Stock | | Additional Paid - In Capital | Subscription Receivable | Cumulative Translation Adjustment | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | | | | | |
| **Balance at January 1, 2024** | 9,131,252 | $ 1 | $ 319,992 | $ (698) | $ (345) | $ (369,974) | $ (51,024) |
| Cumulative-effect adjustment due to the adoption of ASU 2023-08 | — | — | — | — | — | 22 | 22 |
| Stock-based compensation expense | — | — | 1,070 | — | — | — | 1,070 |
| Issuance of shares in connection with Securities Purchase Agreement | 450,300 | — | 1,133 | — | — | — | 1,133 |
| Issuance of shares, net of issuance costs | 45,269 | — | 340 | 698 | — | — | 1,038 |
| Restricted shares award issuance | 159,357 | — | — | — | — | — | — |
| Issuance of warrants in connection with Securities Purchase Agreement | — | — | 4,866 | — | — | — | 4,866 |
| Foreign currency translation adjustment | — | — | — | — | (3) | — | (3) |
| Net loss | — | — | — | — | — | (3,944) | (3,944) |
| **Balance at March 31, 2024** | 9,786,178 | 1 | 327,401 | — | (348) | (373,896) | (46,842) |
| Stock-based compensation expense | — | — | 311 | — | — | — | 311 |
| Common stock issuance upon exercise of prefunded warrant | 810,205 | — | — | — | — | — | — |
| Restricted shares award issuance | 27,604 | — | — | — | — | — | — |
| Net loss | — | — | — | — | — | (5,568) | (5,568) |
| **Balance at June 30, 2024** | 10,623,987 | 1 | 327,712 | — | (348) | (379,464) | (52,099) |
| Stock-based compensation expense | — | — | 417 | — | — | — | 417 |
| Restricted shares award issuance | 47,350 | — | — | — | — | — | — |
| Net loss | — | — | — | — | — | (6,367) | (6,367) |
| **Balance at September 30, 2024** | **10,671,337** | **$ 1** | **$ 328,129** | **$ —** | **$ (348)** | **$ (385,831)** | **$ (58,049)** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Balance at January 1, 2023** | 4,625,278 | $ — | $ 293,774 | $ — | $ (357) | $ (340,464) | $ (47,047) |
| Stock-based compensation expense | — | — | 481 | — | — | — | 481 |
| Issuance of shares, net of issuance costs | 1,211,926 | 1 | 8,095 | — | — | — | 8,096 |
| Restricted shares award issuance, net of withholdings | 9,275 | — | — | — | — | — | — |
| Proceeds from stock options exercised | 133,333 | — | 1,000 | — | — | — | 1,000 |
| Foreign currency translation adjustment | — | — | — | — | 17 | — | 17 |
| Net loss | — | — | — | — | — | (8,171) | (8,171) |
| **Balance at March 31, 2023** | 5,979,812 | 1 | 303,350 | — | (340) | (348,635) | (45,624) |
| Stock-based compensation expense | — | — | 568 | — | — | — | 568 |
| Issuance of shares, net of issuance costs | 1,253,434 | — | 3,320 | — | — | — | 3,320 |
| Restricted shares award issuance, net of withholdings | 3,368 | — | — | — | — | — | — |
| Foreign currency translation adjustment | — | — | — | — | 10 | — | 10 |
| Net loss | — | — | — | — | — | (10,042) | (10,042) |
| **Balance at June 30, 2023** | 7,236,614 | 1 | 307,238 | — | (330) | (358,677) | (51,768) |
| Stock-based compensation expense | — | — | 482 | — | — | — | 482 |
| Issuance of shares, net of issuance costs | 73,825 | — | 310 | — | — | — | 310 |
| Restricted shares award issuance, net of withholdings | 42 | — | — | — | — | — | — |
| Foreign currency translation adjustment | — | — | — | — | (12) | — | (12) |
| Net loss | — | — | — | — | — | (14,239) | (14,239) |
| **Balance at September 30, 2023** | **7,310,481** | **$ 1** | **$ 308,030** | **$ —** | **$ (342)** | **$ (372,916)** | **$ (65,227)** |

The accompanying notes are an integral part of these condensed consolidated financial statements.

## Greenidge Generation Holdings Inc.
### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

| | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 |
|---|---|---|
| OPERATING ACTIVITIES FROM CONTINUING OPERATIONS: | | |
| Net loss | $ (15,879) | $ (32,452) |
| Income from discontinued operations | (12) | (696) |
| Net loss from continuing operations | (15,867) | (31,756) |
| Adjustments to reconcile net loss from continuing operations to net cash flow from operating activities: | | |
| Depreciation | 9,909 | 10,368 |
| Accrued interest added to principal | — | 1,212 |
| Change in fair value of warrant asset | 420 | — |
| Amortization of debt issuance costs | 825 | 2,137 |
| Impairment of long-lived assets | 169 | 4,000 |
| Loss (gain) on sale of assets | 661 | (1,752) |
| Gain on digital assets | (204) | — |
| Remeasurement of environmental liability | — | 1,600 |
| Stock-based compensation expense | 1,798 | 1,531 |
| Revenues from digital assets production | (15,041) | — |
| Proceeds from sale of digital assets | 11,141 | — |
| Professional fees paid in common stock | — | 250 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 346 | 2,421 |
| Emissions and carbon offset credits | 220 | (337) |
| Digital assets | — | 348 |
| Prepaids and other assets | 1,668 | (1,801) |
| Income tax receivable | (89) | (59) |
| Accounts payable | (299) | 7,518 |
| Accrued emissions | (4,374) | 1,872 |
| Accrued expenses | (1,874) | (2,717) |
| Contract liabilities | 2,200 | — |
| Other long-term liabilities | — | 4,713 |
| Other | 229 | (458) |
| Net cash flow used for operating activities from continuing operations | (8,162) | (910) |
| INVESTING ACTIVITIES FROM CONTINUING OPERATIONS: | | |
| Purchases of and deposits for property and equipment | (6,938) | (10,952) |
| Proceeds from sale of assets | 1,878 | 600 |
| Proceeds from sale of digital assets | 628 | — |
| Net cash flow used for investing activities from continuing operations | (4,432) | (10,352) |
| FINANCING ACTIVITIES FROM CONTINUING OPERATIONS: | | |
| Proceeds from issuance of common stock, net of issuance costs | 1,038 | 11,475 |
| Proceeds from issuance of common stock and pre-funded warrants | 6,000 | — |
| Principal payments on debt | — | (6,809) |
| Net cash flow provided by financing activities from continuing operations | 7,038 | 4,666 |
| Discontinued Operations: | | |
| Net cash flow from operating activities of discontinued operations | (186) | (1,259) |
| Net cash flow from investing activities of discontinued operations | — | 3,325 |
| Increase (decrease) in cash and cash equivalents from discontinued operations | (186) | 2,066 |
| CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH | (5,742) | (4,530) |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH - beginning of year | 13,312 | 15,217 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH - end of period | $ 7,570 | $ 10,687 |

See Note 13 for supplemental cash flow information

The accompanying notes are an integral part of these condensed consolidated financial statements.

## 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Greenidge Generation Holdings Inc. and its subsidiaries (collectively, "Greenidge" or the "Company") owns and operates a vertically integrated cryptocurrency datacenter and power generation company. The Company owns and operates facilities in the Town of Torrey, New York (the "New York Facility") and the Town of Columbia, Mississippi (the "Mississippi Facility"), operates a facility under a lease in the Town of Underwood, North Dakota (the "North Dakota Facility") and owned and operated a facility in Spartanburg, South Carolina (the "South Carolina Facility"). The Company generates revenue in U.S. dollars by providing hosting, power and technical support services to third-party owned bitcoin mining equipment and generates revenue in the form of bitcoin by earning bitcoin as rewards and transaction fees for supporting the global bitcoin network with application-specific integrated circuit computers ("ASICs" or "miners") owned by the Company, which may be operated at the Company's sites or at third-party hosting sites through short-term hosting agreements. The earned bitcoin are then either exchanged for U.S. dollars or held as a treasury reserve asset pursuant to the Company's bitcoin retention strategy. The Company also owns and operates a 106 megawatt ("MW") power facility that is connected to the New York Independent System Operator ("NYISO") power grid. In addition to the electricity used "behind the meter" by the New York datacenter, the Company sells electricity to the NYISO at all times when its power plant is running and increases or decreases the amount of electricity sold based on prevailing prices in the wholesale electricity market and demand for electricity.

Effective May 16, 2023, the Company effected a 1-for-10 reverse stock split of its outstanding shares of common stock. The par value remained unchanged. Unless specifically provided otherwise herein, all share and per share amounts as well as common stock and additional paid-in capital have been retroactively adjusted to reflect the reverse stock split.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Presentation of Condensed Consolidated Financial Statements***

In the opinion of Greenidge management, the accompanying condensed consolidated financial statements include all adjustments necessary for a fair presentation of the results for the interim periods presented and such adjustments are of a normal recurring nature. The results for the unaudited interim condensed consolidated statements of operations are not necessarily indicative of results to be expected for the year ending December 31, 2024 or for any future interim period. The unaudited interim condensed consolidated financial statements do not include all of the information and notes required by United States Generally Accepted Accounting Principles for complete financial statements.

The Company has reflected the operations of its Support.com business as discontinued operations for all periods presented. See Note 3, "*Discontinued Operations*" for further information. Unless otherwise noted, amounts and disclosures throughout these notes to the Company's condensed consolidated financial statements relate solely to continuing operations and exclude all discontinued operations.

The accompanying condensed consolidated financial statements should be read in conjunction with the notes to the consolidated financial statements of the Company in its 2023 Annual Report on Form 10-K.

***Going Concern***

In accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-15, Presentation of Financial Statements – Going Concern, the Company's management evaluated whether there are conditions or events that pose risk associated with the Company's ability to continue as a going concern within one year after the date these financial statements have been issued. The Company's consolidated financial statements have been prepared assuming that it will continue as a going concern. The Company has historically incurred operating losses and negative cash flows from operations. These factors raise substantial doubt as to the Company's ability to continue as a going concern.

The halving of bitcoin, which occurred April 19, 2024, has had and may continue to have an adverse effect on the Company's projected future cash flows due to the decline in the bitcoin mining rewards distributed to miners. The fixed costs to operate the business including, but not limited to, insurance, overhead and capital expenditures, as well as the variable input costs to operate the Company's datacenters, have a material impact on the Company's continuing operations and ability to generate positive cash flows. While the market showed improvement in 2023 and early 2024, the Company continues to assess the impact of the halving along with volatility in market prices of bitcoin and natural gas, all of which may impact projected future cash flows. In response to the going concern uncertainty, management took certain actions during 2023 and 2024 to improve the Company's liquidity, as described in more detail below. At September 30, 2024, the Company had $7.6 million of cash, restricted cash and cash equivalents, and other current assets of $13.3 million, including $3.8 million of bitcoin available for liquidation, while having $8.9 million of accounts payable, contract liabilities and accrued expenses, emissions liability of $6.1 million, current liabilities held for sale of $0.3 million, and an estimated $1.6 million of environmental liability spend in the next 12 months, which results in working capital of $3.8 million as of September 30, 2024.

Additionally, the Company has $6.1 million of interest payments due over the next twelve months. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. In an effort to improve liquidity, the Company has completed or is in the process of completing the following transactions:

- In September 2022, Greenidge entered into an at-the-market issuance sales agreement, as amended, dated as of September 19, 2022, by and among the Company, B. Riley Securities, Inc. ("B. Riley Securities") and Northland Securities, Inc., relating to shares of Greenidge's Class A common stock (the "ATM Agreement"), and since October 1, 2022 through November 6, 2024, have received net proceeds of $20.7 million from sales of Class A common stock under the ATM Agreement. See Note 9, "Stockholder's Deficit", for further details.
- On January 30, 2023, the Company entered into debt restructuring agreements with NYDIG ABL LLC ("NYDIG") and B. Riley Commercial Capital, LLC ("B. Riley Commercial"). The restructuring of the NYDIG debt improved the Company's liquidity during 2023 as the payments required in 2023 on the remaining principal balance was interest payments of $2.0 million. This reduced debt service is substantially lower than the $62.7 million of principal and interest payments which would have been required in 2023 pursuant to the 2021 and 2022 Master Equipment Finance Agreements, both of which were refinanced in January 2023. See Note 5, "Debt" of our Annual Report on Form 10-K, filed April 10, 2024, for further details regarding the debt restructuring agreements.
- In conjunction with the restructuring of the debt with NYDIG, the Company also entered into hosting agreements with NYDIG on January 30, 2023 (the "NYDIG Hosting Agreements"), which improved its liquidity position, as it provided for cost reimbursements for key input costs, while allowing the Company to participate in profit upside.
- On November 9, 2023, the Company closed the sale of the South Carolina Facility to complete the deleveraging transaction with NYDIG. In exchange for the sale to NYDIG of the upgraded 44 MW South Carolina mining facilities and the subdivided real estate of approximately 22 acres of land, the Company received total consideration of $28 million, as follows:
  - The Senior Secured Loan with NYDIG with remaining principal of $17.7 million was extinguished;
  - The B. Riley Commercial Secured Promissory Note with remaining principal of $4.1 million, which NYDIG purchased from B. Riley Commercial on July 20, 2023 at par was extinguished;
  - A cash payment of approximately $4.5 million, and
  - The Company also received bonus payments earned of approximately $1.6 million as a result of the completion of the expansion of the upgraded mining facility and the facility's uptime performance.

  The Company recognized a gain on the sale of the South Carolina Facility of $8.2 million.

  In conjunction with the sale, the Company and NYDIG terminated the South Carolina Hosting Order. The NYDIG Hosting Agreement related to the New York Facility was not impacted by this transaction and remains in place.

  Following the completion of the South Carolina Facility sale, the Company continues to own approximately 153 acres of land in South Carolina, which has been classified as held for sale.
- Since entering into the NYDIG Hosting Agreements, the Company has identified opportunities to deploy its company-owned miners. In March 2023, the Company entered into a hosting agreement with Conifex Timber Inc. ("Conifex"), whereby Conifex will provide hosting services to Greenidge utilizing renewable power (the "Conifex Hosting Agreement"). In April 2023, the Company entered into a hosting agreement with Core Scientific, Inc. ("Core") in which Core will host and operate Greenidge-owned bitcoin miners at its facilities (the "Core Hosting Agreement", and together with the NYDIG Hosting Agreements and the Conifex Hosting Agreement, the "Hosting Agreements"). On May 31, 2024, the only order entered into between Greenidge and Core pursuant to the Core Hosting Agreement terminated pursuant to its terms and Core no longer hosts or operates any Greenidge-owned bitcoin miners. As a result, the Company deployed the miners hosted by Core to sites Greenidge operates as part of its self-mining operations.

- On April 10, 2024, the Company closed on the purchase of a parcel of land containing approximately 12 acres located in Columbus, Mississippi, including over 73,000 square feet of industrial warehouse space. The Company deployed 7.5 MW of miners on the property in the second quarter of 2024. The Company has also deployed additional miners in conjunction with a 7.5 MW mining capacity lease in North Dakota, which has a term of five years and provides us with energy to power mining. The Company believes the addition of these datacenters will improve the Company's profits and liquidity during the remainder of 2024 and beyond.
- On February 12, 2024, the Company entered into a securities purchase agreement (the "SPA") with Armistice Capital Master Fund Ltd. ("Armistice"). Pursuant to the SPA, Armistice purchased shares of the Company's Class A common stock and a pre-funded Class A common stock purchase warrant entitling them to purchase shares of the Company's Class A common stock. In addition, the Company issued to Armistice a Class A common stock purchase warrant entitling Armistice, commencing on August 14, 2024, to acquire additional shares of the Company's Class A common stock from time to time. The SPA resulted in net proceeds of $6.0 million. See Note 9, "Stockholders' Deficit", for further details.
- On September 15, 2021, as amended on April 7, 2022, Greenidge entered into the Equity Purchase Agreement (the "Equity Purchase Agreement") with B. Riley Principal Capital, LLC ("B. Riley Principal"). Pursuant to the Equity Purchase Agreement, Greenidge had the right to sell to B. Riley Principal up to $500 million in shares of its Class A common stock, subject to certain limitations and the satisfaction of specified conditions in the Equity Purchase Agreement, from time to time over the 24-month period commencing on April 28, 2022 (the "April 2022 Effective Date"). From the April 2022 Effective Date to April 28, 2024, the Company received aggregate proceeds of $8.0 million, net of discounts, of which $0.3 million were received from January 1, 2024 through April 28, 2024. See Note 9, "Stockholders' Deficit", for further details. The Equity Purchase Agreement automatically terminated pursuant to its terms on April 28, 2024.
- On July 30, 2024, Greenidge entered into a common stock purchase agreement (the "Common Stock Purchase Agreement") and related registration rights agreement with B. Riley Principal Capital II, LLC ("B. Riley Principal II"), an affiliate of B. Riley Principal, pursuant to which Greenidge has the right to sell to B. Riley Principal II up to $20 million in shares of its Class A common stock, subject to certain limitations and the satisfaction of specified conditions in the Common Stock Purchase Agreement, from time to time over the 36-month term of the Common Stock Purchase Agreement. See Note 9 "Stockholders' Deficit", for further details.

Despite these improvements to the Company's financial condition, Greenidge management expects that it will require additional capital in order to fund the Company's expenses and to support the Company's near-term working capital needs and remaining debt servicing requirements. Management continues to assess different options to improve its liquidity which include, but are not limited to:

- a sale of the Company's remaining real estate in South Carolina and/or sale of the remaining miner infrastructure equipment inventory, which was not used in previous expansions.
- issuances of equity, including but not limited to issuances under the Common Stock Purchase Agreement and/or the ATM Agreement.
- retirement or purchase of our outstanding debt through cash purchases and/or exchanges for equity or debt, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material and to the extent equity is issued, dilutive.

The Company's estimate of cash resources available to the Company for the next 12 months is dependent on bitcoin mining economics equivalent or superior to those experienced since the halving in April 2024. Increases in the price of bitcoin benefit the Company by increasing the amount of revenue earned for each bitcoin mined. Increases in the difficulty to mine a bitcoin adversely affect the Company by decreasing the number of bitcoin it can mine. Increases in the costs of electricity, natural gas, and emissions credits adversely affect the Company by increasing the cost to mine bitcoin. While the Company continues to work to implement options to improve liquidity, the Company can provide no assurance that these efforts will be successful and the Company's liquidity could be negatively impacted by factors outside of its control, in particular, significant decreases in the price of bitcoin, the Company's inability to procure and comply with the permits and licenses required to operate its facilities, including the Title V Air Permit for the New York Facility and the possibility of a temporary or permanent loss of such permit following the expiration of the November 14 Stay (as defined below) , or the cost to the Company of such procurement or compliance, regulatory changes concerning cryptocurrency, increases in energy costs or other macroeconomic conditions and other matters identified in Part I, Item 1A "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 and in this Quarterly Report on

Form 10-Q. Given this uncertainty regarding the Company's financial condition over the next 12 months from the date these financial statements were issued, the Company has concluded that there is substantial doubt about its ability to continue as a going concern for a reasonable period of time. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

***Reclassifications***

Certain prior year amounts have been reclassified to conform to the current year's presentation.

**Significant Accounting Policies**

The Company's significant accounting policies are described in Note 2. Summary of Significant Accounting Policies, in the Company's consolidated financial statements included in the Company's Annual Report filed on Form 10-K for the year ended December 31, 2023.

There have been no material changes to the significant accounting policies, except as described herein, for the three and nine months ended September 30, 2024.

***Revenue Recognition***

*Cryptocurrency Mining Revenue*

Greenidge has entered into digital asset mining pools by executing contracts with the mining pool operators to perform hash computations for a mining pool. The contracts are terminable at any time at no cost by either party and Greenidge's enforceable right to compensation begins only when, and lasts as long as, Greenidge performs hash computations for the mining pool operator. In exchange for performing hash computations, Greenidge is entitled to a fractional share of the cryptocurrency award the mining pool operator theoretically receives less the mining pool fees. The agreements entered into with the pool operators pay out based on a Full-Pay-Per-Share ("FPPS") payout formula, which is a conceptual formula that entitles Greenidge to consideration upon the provision of hash computations to the pool even if a block is not successfully placed by the pool operator. Revenue is measured as the value of the consideration received in the form of cryptocurrency from the pool operator, less the mining pool fees retained by the mining pool operator. Greenidge does not expect any material future changes in mining pool fee rates.

In exchange for performing hash computations for the mining pool, the Company is entitled to a fractional share of the cryptocurrency award the mining pool operator theoretically receives (less pool operator fees to the mining pool operator which are netted as a reduction of the transaction price). Greenidge's fractional share is based on the proportion of hash computations the Company performed for the mining pool operator to the total hash computations contributed by all miners in solving the current algorithm during the 24-hour period. Daily earnings calculated under the FPPS payout formula are calculated from midnight-to-midnight UTC time and are credited to pool members' accounts at 1:00:00 A.M. UTC. The pool sends Greenidge's cryptocurrency balance in the account to a digital wallet designated by the Company between 9:00 A.M. and 5:00 P.M. UTC time each day, which Greenidge automatically sells for cash within minutes of receipt, unless Greenidge decides to retain its newly earned bitcoin in connection with its bitcoin retention strategy.

The service of performing hash computations for the mining pool operators is an output of Greenidge's ordinary activities and is the only performance obligation in Greenidge's contracts with mining pool operators. The cryptocurrency that Greenidge receives as transaction consideration is noncash consideration, which Greenidge measures at fair value on the contract inception date at 0:00:00 UTC on the start date of the contract. The duration of each contract is 24 hours or less and provides the same rate of payment upon renewal. Since the pricing remains the same upon contract renewal, the contract does not provide the applicable mining pool operator with a material right that represents a separate performance obligation. The fair value is based on Greenidge's primary exchange of the related cryptocurrency which is considered to be Coinbase. The consideration Greenidge earns is variable since it is based on the amount of hash computations provided by both Greenidge and the bitcoin network as a whole. The Company does not constrain this variable consideration because it is probable that a significant reversal in the amount of revenue recognized from the contract will not occur when the uncertainty is subsequently resolved and recognizes the non-cash consideration on the same day that control is transferred, which is the same day as contract inception.

*Engineering Procurement and Construction Management ("EPCM") Revenue*

The Company has entered into contracts with customers to perform engineering procurement and construction management services for customers developing cryptocurrency mining facilities. The services defined in the contracts are generally separated into phases, being 1) engineering 2) construction and 3) procurement.

While the services discussed above are capable of being distinct and separately identifiable, the Company concluded that the services provided are inputs to produce the combined output to the customer, which is the completed site buildout. Further, the services provided are significantly modified by the other services in the contract. As such, while the performance obligations may be capable of being distinct, they are not distinct in the context of the contract and therefore the promises in the contract are combined into one single performance obligation.

The Company recognizes EPCM revenue over time, as performance obligations are satisfied, due to the continuous transfer of control to the customer. The Company utilizes the percentage-of-completion method, based primarily on contract cost incurred to date compared to total estimated contract cost. The percentage-of-completion method, and input method, is used as management considers it to be the best available measure of progress on these contracts.

To the extent a contract is canceled, the Company assesses whether there are any remaining goods or services to be provided after cancellation. If there are any remaining goods or services to be provided, the Company follows the guidance under ASC 606 for contract modifications. If there are no remaining goods or services to be provided, the Company considers whether consideration received is refundable or nonrefundable. To the extent consideration received is refundable, the Company recognizes a refund liability, otherwise, it recognizes revenue for the consideration received.

**Digital Assets**

Digital assets are comprised of bitcoin earned as noncash consideration in exchange for providing hash computations for a mining pool, which are accounted for in connection with the Company’s revenue recognition policy previously disclosed. Digital assets are included in current assets in the consolidated balance sheets due to the Company’s ability to sell it in a highly liquid marketplace and because the Company reasonably expects to liquidate its digital assets to support operations within the next twelve months.

The Company adopted ASU 2023-08 during the second quarter of 2024 with an effective date of January 1, 2024. As a result of adopting ASU 2023-08, the Company measures digital assets at fair value as of each reporting period based on UTC closing prices at period-end on the active trading platform that the Company normally transacts and has determined is its principal market for bitcoin.

Gains and losses resulting from remeasurements are included within Loss (gain) on digital assets in the consolidated statements of operations and comprehensive loss. Gains and losses resulting from the sale of bitcoin, measured as the difference between the cash proceeds and the carrying basis of bitcoin as determined on a first-in-first-out basis, are also included within Loss (gain) on digital assets in the consolidated statements of operations and comprehensive loss.

Digital assets received by the Company as noncash consideration are included as an adjustment to reconcile net loss to cash used in operating activities on the consolidated statements of cash flows. In August 2024, the Company announced its new bitcoin self-mining retention strategy, which enables the Company to accumulate bitcoin from its owned miners. Proceeds from the sale of bitcoin that occur nearly immediately after receipt are included within operating activities on the consolidated statements of cash flows. To the extent the Company holds bitcoin for more than a few days, proceeds from the sale of bitcoin are included within investing activities on the consolidated statements of cash flows. Notwithstanding the foregoing, in connection with this new bitcoin retention strategy, certain amounts of the Company's bitcoin earned from self-mining activities will be held as a treasury reserve asset, as determined in the Company's sole discretion.

Prior to the adoption of ASU 2023-08, the Company accounted for digital assets as intangible assets with an indefinite useful life, which are not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. The Company performed an analysis each period to identify whether events or changes in circumstances, principally decreases in the quoted prices on active exchanges, indicated that it was more likely than not that its digital assets were impaired. Digital assets were considered impaired if the carrying value was greater than the lowest intraday quoted price at any time during the period. For quoted prices, the Company used daily exchange data from its principal market. Subsequent reversal of impairment losses were not permitted.

***Recent Accounting Pronouncements, Not Yet Adopted***

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.* ASU 2023-07 expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition of other segment items, and interim disclosures of a reportable segment's profit or loss and assets. This guidance becomes effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024 and is required to be applied retrospectively. Early adoption is permitted. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statements disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosure*. ASU 2023-09 mostly requires, on an annual basis, disclosure of specific categories in an entity's effective tax rate reconciliation and income taxes paid disaggregated by jurisdiction. The incremental disclosures may be presented on a prospective or retrospective basis. The ASU is effective for fiscal years beginning after December 15, 2024 with early adoption permitted. The Company is currently evaluating the impact the adoption of this ASU will have on its consolidated financial statements and disclosures.

In March 2024, the FASB issued ASU 2024-01, *Compensation - Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards*. ASU 2024-01 clarifies ASC 718 scope application for profits interest and similar awards by adding illustrative examples. This guidance becomes effective for annual periods beginning after December 15, 2024 and interim periods within those annual periods. Early adoption is permitted. The Company is currently evaluating this guidance to determine the impact, but does not expect it to have a material impact on its Condensed Consolidated Financial Statements and related disclosures.

In March 2024, the FASB issued ASU 2024-02, *Codification Improvements - Amendments to Remove References to the Concept Statements*. ASU 2024-02 removes references to various Concept Statements. This ASU is effective for fiscal years beginning after December 15, 2024. Early application of the amendments in the ASU is permitted. ASU 2024-02 can be applied prospectively or retrospectively. The Company is currently evaluating this guidance to determine the impact, but does not expect it to have a material impact on its Condensed Consolidated Financial Statements and related disclosures.

***Recent Accounting Pronouncements, Adopted***

In December 2023, the FASB issued ASU No. 2023-08, Intangibles - Goodwill and Other - Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets ("ASU 2023-08"), which is intended to improve the accounting for and disclosure of crypto assets. The amendments require crypto assets meeting the criteria to be recognized at fair value with changes recognized in net income each reporting period. Upon adoption, a cumulative-effect adjustment is made to the opening balance of retained earnings as of the beginning of the annual reporting period of adoption. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2024, with early adoption permitted. The Company elected to adopt ASU 2023-08 effective January 1, 2024. As a result of adoption, the Company recorded a cumulative-effect adjustment to its *Accumulated deficit* balance of approximately $0.02 million as of January 1, 2024, as a result of recognizing its bitcoin held as of January 1, 2024, at fair value.

### 3. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

A business is classified as held for sale when management having the authority to approve the action commits to a plan to sell or exit the business, the sale or exit is probable to occur during the next 12 months at a price or cost that is reasonable in relation to its current fair value and certain other criteria are met. A business classified as held for sale is recorded at the lower of its carrying amount or estimated fair value less cost to sell. When the carrying amount of the business exceeds its estimated fair value less cost to sell, a loss is recognized and updated each reporting period as appropriate.

The contract for Support.com's largest customer was not renewed upon expiration on December 31, 2022. As a result of this material change in the business, management and the board of directors made the determination to consider various alternatives for Support.com, including the disposition of assets. At December 31, 2022, the Company classified the Support.com business as held for sale and discontinued operations in the condensed consolidated financial statements as a result of its strategic shift to strictly focus on its cryptocurrency datacenter and power generation operations.

In January 2023, Greenidge completed the sale of a portion of the assets of Support.com for net proceeds of approximately $2.6 million. In June 2023, the Company entered into a purchase and sale agreement with third parties in order to sell certain remaining assets and liabilities, including the transfer of remaining customer contracts, for net proceeds of approximately $0.8 million. The Company has ended all Support.com operations as of December 31, 2023; therefore, the remaining assets and liabilities of Support.com have been presented as current at September 30, 2024 and December 31, 2023. The remaining assets and liabilities consist primarily of remaining prepaid expenses and refundable deposits, payables and accrued expenses associated with the closing of operations and foreign tax liabilities.

Major classes of assets and liabilities consist of the following:

| **$ in thousands** | **September 30, 2024** | **December 31, 2023** |
|---|---|---|
| Assets: | | |
| Prepaid expenses and other current assets | $ 30 | $ 47 |
| Current assets held for sale | 30 | 47 |
| | | |
| Other assets | 456 | 454 |
| Long-term assets held for sale | 456 | 454 |
| Loss on classification to held for sale | (486) | (501) |
| Assets held for sale | — | — |
| | | |
| Liabilities: | | |
| Accounts payable | 8 | 21 |
| Accrued expenses | 306 | 462 |
| Current liabilities held for sale | $ 314 | $ 483 |

Financial results from discontinued operations consist of the following:

| $ in thousands | Three Months Ended September 30, 2024 | Three Months Ended September 30, 2023 | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 |
|---|---|---|---|---|
| Revenue | $ — | $ 378 | $ — | $ 4,223 |
| Cost of revenue - services and other (exclusive of depreciation and amortization) | — | (957) | — | (4,425) |
| Selling, general and administrative | (43) | (1,353) | (35) | (3,265) |
| Merger and other costs | — | (154) | — | (684) |
| Gain on asset disposal | — | — | — | 4,162 |
| Gain (loss) on assets classified as held for sale | — | 1,135 | 11 | (600) |
| Other income (loss), net | — | (127) | 12 | (107) |
| Loss from discontinued operations | $ (43) | $ (1,078) | $ (12) | $ (696) |

The Company's effective income tax rate from discontinued operations for the three months ended September 30, 2024 and 2023 was 0% and 0%, respectively, and for the nine months ended September 30, 2024 and 2023 was 0% and 0%, respectively.

*South Carolina Land*

In September 2024, the Company entered into a letter of intent to sell the remaining land it owns in Spartanburg, South Carolina. The South Carolina land with a carrying value of $7.2 million, is presented as long-term assets held for sale as of September 30, 2024.

**4. PROPERTY AND EQUIPMENT**

Property and equipment, net consisted of the following at September 30, 2024 and December 31, 2023:

| $ in thousands | Estimated Useful Lives | September 30, 2024 | December 31, 2023 |
|---|---|---|---|
| Plant infrastructure | 10 years | $ 1,522 | $ 1,367 |
| Miners | 3 years | 33,553 | 32,195 |
| Miner facility infrastructure | 10 years | 12,705 | 8,154 |
| Land | N/A | 1,952 | 7,679 |
| Equipment | 5 years | 45 | 45 |
| Construction in process | N/A | 1,102 | 6,229 |
| | | 50,879 | 55,669 |
| Less: Accumulated depreciation | | (20,483) | (10,574) |
| | | $ 30,396 | $ 45,095 |

Total depreciation expense was $3.4 million and $3.4 million for the three months ended September 30, 2024 and 2023, respectively and $9.9 million and $10.4 million for the nine months ended September 30, 2024 and 2023, respectively.

On January 30, 2023, Greenidge entered into an agreement regarding its 2021 and 2022 Master Equipment Finance Agreements with NYDIG. During the six months ended June 30, 2023, the Company transferred ownership of bitcoin mining equipment with net book value of $50.0 million and miner deposits of $7.4 million that remained accrued to Greenidge for previous purchases of mining equipment with a bitcoin miner manufacturer and the related debt was canceled pursuant to a debt settlement agreement entered into with NYDIG. The Company recognized a gain on the sale of assets of $1.2 million, which relates to the sale of bitcoin miner manufacturer coupons that were transferred as part of the debt restructuring agreement with NYDIG.

During the three months ended September 30, 2024, Greenidge sold construction in process assets with a carrying value of $3.3 million for proceeds of $2.6 million resulting in a loss on the sale of assets of $0.7 million.

**5. DEBT**

The following table provides information on the Company's debt agreements:

| $ in thousands | | | | | Balance as of: | |
|---|---|---|---|---|---|---|
| Note | Loan Date | Maturity Date | Interest Rate | Amount Financed | September 30, 2024 | December 31, 2023 |
| Senior Unsecured Notes | October 2021/December 2021 | October 2026 | 8.5 % | $ 72,200 | $ 72,200 | $ 72,200 |
| Total Debt | | | | | 72,200 | 72,200 |
| Less: Debt discount and issue costs | | | | | (2,665) | (3,490) |
| Total debt at book value | | | | | 69,535 | 68,710 |
| Less: Current portion | | | | | — | — |
| Long-term debt, net of current portion and deferred financing fees | | | | | $ 69,535 | $ 68,710 |

The Company incurred interest expense of $1.8 million and $3.0 million during the three months ended September 30, 2024 and 2023, respectively, under the terms of these notes payable. The Company incurred interest expense of $5.4 million and $9.7 million during the nine months ended September 30, 2024 and 2023, respectively, under the terms of these notes payable and other financings that were extinguished during the year ended December 31, 2023.

**Senior Unsecured Notes**

During the fourth quarter of 2021, the Company sold $72.2 million of 8.50% Senior Notes due October 2026 (the "Notes") pursuant to the Company's registration statement on Form S-1. Interest on the Notes is payable quarterly in arrears on January 31, April 30, July 31 and October 31 of each year to the holders of record at the close of business on the immediately preceding January 15, April 15, July 15 and October 15, respectively. The Notes are senior unsecured obligations of the Company and rank equal in right of payment with the Company's existing and future senior unsecured indebtedness. The Notes trade on the Nasdaq Global Select Market under the symbol "GREEL."

The Company may redeem the Notes for cash in whole or in part at any time (i) on or after October 31, 2023 and prior to October 31, 2024, at a price equal to 102% of their principal amount, plus accrued and unpaid interest to, but excluding, the date of redemption, (ii) on or after October 31, 2024 and prior to October 31, 2025, at a price equal to 101% of their principal amount, plus accrued and unpaid interest to, but excluding, the date of redemption, and (iii) on or after October 31, 2025 and prior to maturity, at a price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding, the date of redemption. In addition, the Company may redeem the Notes, in whole, but not in part, at any time at its option, at a redemption price equal to 100.5% of the principal amount plus accrued and unpaid interest to, but not including, the date of redemption, upon the occurrence of certain change of control events.

**Minimum Future Principal Payments**

Minimum future principal payments on debt at September 30, 2024 were as follows:

| **$ in thousands** | |
|---|---|
| Remainder of 2024 | $ — |
| 2025 | — |
| 2026 | 72,200 |
| 2027 | — |
| 2028 | — |
| Total | $ 72,200 |

**Fair Value Disclosure**

The notional value and estimated fair value of the Company's debt totaled $72.2 million and $25.6 million, respectively at September 30, 2024 and $72.2 million and $29.3 million, respectively at December 31, 2023. The notional value does not include unamortized discounts on debt issuance costs of $2.7 million and $3.5 million at September 30, 2024 and December 31, 2023, respectively. The estimated fair value of the senior unsecured notes, representing the fair value of the Company's 8.50% senior secured notes due October 2026, was measured using quoted market prices at the reporting date. Such instruments were valued using Level 1 inputs.

## 6. EARNINGS PER SHARE

The Company calculates basic earnings per share by dividing the net income (loss) by the weighted average number of shares of common stock outstanding for the period. The diluted earnings (loss) per share is computed by assuming the exercise, settlement, and vesting of all potential dilutive common stock equivalents outstanding for the period using the treasury stock method.

The following table sets forth a reconciliation of the numerator and denominator used to compute basic earnings and diluted per share of common stock (in thousands, except per share data):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Numerator** | | | | |
| Net loss from continuing operations | $ (6,324) | $ (13,161) | $ (15,867) | $ (31,756) |
| Loss from discontinued operations, net of tax | (43) | (1,078) | (12) | (696) |
| Net loss | $ (6,367) | $ (14,239) | $ (15,879) | $ (32,452) |
| **Denominator** | | | | |
| Basic weighted average shares outstanding | 10,652 | 7,262 | 10,040 | 6,341 |
| Effect of dilutive securities | — | — | — | — |
| Diluted weighted average shares outstanding | 10,652 | 7,262 | 10,040 | 6,341 |
| | | | | |
| **Net (loss) income per share, basic and diluted:** | | | | |
| Net loss per share from continuing operations, basic and diluted | $ (0.60) | $ (1.81) | $ (1.58) | $ (5.01) |
| Loss per share from discontinued operations, basic and diluted | 0.00 | (0.15) | 0.00 | (0.11) |
| Net loss per share, basic and diluted | $ (0.60) | $ (1.96) | $ (1.58) | $ (5.12) |

For the three and nine months ended September 30, 2024 and 2023, because the Company was in a loss position, basic net loss per share is the same as diluted net loss per share, as the inclusion of the potential common shares would have been anti-dilutive.

The following table sets forth potential shares of common stock that are not included in the diluted net loss per share calculation because to do so would be anti-dilutive for the period indicated (in thousands):

| **Anti-dilutive securities** | September 30, 2024 | September 30, 2023 |
|---|---|---|
| Restricted stock units | 160 | 12 |
| Common shares issuable upon exercise of stock options | 483 | 360 |
| Common shares issuable upon exercise of warrants | 1,441 | — |
| Total | 2,084 | 372 |

**7. EQUITY BASED COMPENSATION**

In February 2021, Greenidge adopted an equity incentive plan and reserved 383,111 shares of Class A common stock for issuance under the plan (the “2021 Equity Plan”), applicable to employees and non-employee directors. In April 2023, the stockholders approved an amendment and restatement of the Company’s 2021 Equity Plan to increase the maximum aggregate number of shares of Class A common stock that may be issued for all purposes under the Plan by 500,000 shares of Class A common stock from 383,111 to 883,111 shares of Class A common stock and to remove the counting of shares of Class A common stock granted in connection with awards other than stock options and stock appreciation rights against the total number of shares available under the Plan as two shares of Class A common stock for every one share of Class A common stock granted in connection with such award. In October 2022, the Company registered 307,684 shares of Class A common stock, outside the 2021 Equity Plan, that were reserved for issuance upon the vesting and exercise of non-qualified stock options inducement grants.

**RSAs and RSUs**

Restricted stock awards ("RSA") are generally granted with an eligible vesting range from upon grant to over a three-year period. Restricted stock unit ("RSU") awards are generally eligible to vest over a three-year period.

The Company’s unvested RSA and RSU award activity for the nine months ended September 30, 2024 is summarized below:

| | RSAs & RSUs | Weighted Average Grant Date Fair Value |
|---|---|---|
| Unvested at December 31, 2023 | 9,116 | $ 62.99 |
| Granted | 356,028 | $ 4.00 |
| Vested | (200,711) | $ 6.99 |
| Forfeited | (4,346) | $ 3.74 |
| Unvested at September 30, 2024 | 160,087 | $ 3.61 |

The value of RSA and RSU grants are measured based on their fair market value on the date of grant and amortized over their requisite service periods. At September 30, 2024, there was approximately $0.4 million of total unrecognized compensation cost related to unvested restricted stock rights, which is expected to be recognized over a remaining weighted-average vesting period of approximately 1.15 years.

**Common Stock Options**

The Company’s common stock options activity for the nine months ended September 30, 2024 is summarized below:

| | Options | Weighted Average Exercise Price Per Share | Weighted Average Remaining Contractual Life (in years) | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Outstanding at December 31, 2023 | 458,982 | $ 16.59 | | |
| Granted | 25,000 | $ 3.00 | | |
| Forfeited | (266) | $ 62.50 | | |
| Expired | (824) | $ 64.01 | | |
| Outstanding at September 30, 2024 | 482,892 | $ 15.79 | 8.17 | $ — |
| Exercisable as of September 30, 2024 | 234,372 | $ 23.13 | 7.67 | $ — |

The value of common stock option grants is measured based on their fair market value on the date of grant and amortized over their requisite service periods. At September 30, 2024, there was approximately $1.0 million of total unrecognized compensation cost related to unvested common stock options, which is expected to be recognized over a remaining weighted-average vesting period of approximately 1.54 years.

On April 26, 2024, the Company entered into a Release Agreement with a former employee to allow for an acceleration of vesting of remaining unvested options and extended post termination exercise period. The stock option modification resulted in $0.2 million of incremental compensation cost for the nine months ended September 30, 2024, which was calculated using the Black-Scholes option-pricing model. The following assumptions were used for the Black-Scholes valuation: risk-free rate of 4.67%, expected life of 8.46 years, exercise price of $13.20, annualized volatility of 133.96%, and a dividend rate of 0%.

**Stock-Based Compensation**

The Company recognized stock-based compensation expense of $0.4 million and $0.5 million during the three months ended September 30, 2024 and 2023, respectively and $1.8 million and $1.5 million during the nine months ended September 30, 2024 and 2023, respectively. Stock-based compensation expense is included in selling, general and administrative expenses in the accompanying unaudited condensed consolidated statements of operations and comprehensive loss.

**8. INCOME TAXES**

The income tax provision for interim periods is determined using an estimate of the annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter, the estimate of the annual effective tax rate is updated, and if the estimated effective tax rate changes, a cumulative adjustment is made. In addition, the effect of changes in enacted tax laws or rates or tax status is recognized in the interim period in which the change occurs.

The effective tax rate for the three and nine months ended September 30, 2024 was a tax benefit of 2% and 1%, respectively, which was lower than the statutory rate of 21% because the Company has recognized a full valuation allowance on its deferred tax assets, as well as an adjustment for the New York State income tax receivable upon completion of the 2023 tax return. The Company continued to evaluate the realizability of deferred tax assets, due to continued reduced profitability, concluded that a valuation allowance should continue to be recognized for any deferred tax assets generated during the quarter. The 2%, or $0.1 million benefit for the three months ended September 30, 2024 was the result of an adjustment for the New York State income tax receivable upon completion of the Company's 2023 tax return.

The effective tax rate for the three and nine months ended September 30, 2023 was 0% which was lower than the statutory rate of 21% due to continued reduced profitability. The Company concluded that a valuation allowance should continue to be recognized for any deferred tax assets generated during the quarter. As a result, there was no net income tax benefit recorded for pre-tax losses of the U.S. operations for the three and nine months ended September 30, 2023.

**9. STOCKHOLDERS' DEFICIT**

**Equity Purchase Agreement with B. Riley Principal Capital, LLC**

On September 15, 2021, as amended on April 7, 2022, Greenidge entered into the Equity Purchase Agreement with B. Riley Principal. Pursuant to the Equity Purchase Agreement, Greenidge had the right to sell to B. Riley Principal up to $500 million in shares of its Class A common stock, subject to certain limitations and the satisfaction of specified conditions in the Equity Purchase Agreement, from time to time over the 24-month period commencing on April 28, 2022.

In connection with the Equity Purchase Agreement, Greenidge entered into a registration rights agreement with B. Riley Principal, pursuant to which Greenidge agreed to prepare and file a registration statement registering the resale by the Investor of those shares of Greenidge's Class A common stock to be issued under the Equity Purchase Agreement. The registration statement became effective on the April 2022 Effective Date, relating to the resale of 572,095 shares of Greenidge's Class A common stock in connection with the Equity Purchase Agreement.

From the April 2022 Effective Date to April 28, 2024, Greenidge issued 549,285 shares of Class A common stock to B. Riley Principal pursuant to the Equity Purchase Agreement for aggregate proceeds of $8.0 million, net of discounts, of which there were 45,269 shares issued for aggregate proceeds of $0.3 million, net of discounts, from January 1, 2024 through April 28, 2024. The Equity Purchase Agreement automatically terminated pursuant to its terms on April 28, 2024.

**Common Stock Purchase Agreement with B. Riley Principal Capital II, LLC**

On July 30, 2024, Greenidge entered into the Common Stock Purchase Agreement with B. Riley Principal II, an affiliate of B. Riley Principal. Pursuant to the Common Stock Purchase Agreement, Greenidge has the right to sell to B. Riley Principal II up to $20 million in shares of its Class A common stock, subject to certain limitations and the satisfaction of specified conditions in the Common Stock Purchase Agreement, from time to time over the 36-month period commencing September 24, 2024.

In connection with the Common Stock Purchase Agreement, Greenidge entered into a registration rights agreement with B. Riley Principal II, pursuant to which Greenidge agreed to prepare and file a registration statement registering the resale by B. Riley Principal II of those shares of Greenidge's Class A common stock to be issued under the Common Stock Purchase Agreement. The registration statement became effective on September 24, 2024 (the "Effective Date"), relating to the resale of 7,300,000 shares of Greenidge's Class A common stock in connection with the Common Stock Purchase Agreement.

From the Effective Date through November 6, 2024, Greenidge issued 424,156 shares under the Common Stock Purchase Agreement for net proceeds of $1.0 million, of which no shares were issued for the three and nine months ended September 30, 2024.

**At The Market Issuance Sales Agreement with B. Riley Securities**

On September 19, 2022, as amended on October 3, 2022, Greenidge entered into the ATM Agreement with B. Riley and Northland, relating to shares of Greenidge's Class A common stock. Under the ATM Agreement, B. Riley will use its commercially reasonable efforts to sell on Greenidge's behalf the shares of Greenidge's Class A common stock requested to be sold by Greenidge, consistent with B. Riley's normal trading and sales practices, under the terms and subject to the conditions set forth in the ATM Agreement. Greenidge has the discretion, subject to market demand, to vary the timing, prices and number of shares sold in accordance with the ATM Agreement. B. Riley may sell the Company's Class A common stock by any method permitted by law deemed to be an "at the market offering" as defined in Rule 415(a)(4) promulgated under the Securities Act. Greenidge pays B. Riley commissions for its services in acting as sales agent, in an amount to up to 3.0% of the gross proceeds of all Class A common stock sold through it as sales agent under the ATM Agreement. Pursuant to the registration statement filed registering shares to be sold in accordance with the terms of the ATM Agreement, Greenidge may offer and sell shares of its Class A common stock up to a maximum aggregate offering price of $22,800,000.

From October 1, 2022 through November 6, 2024, Greenidge issued 4,167,463 shares under the ATM Agreement for net proceeds of $20.7 million, of which no shares were issued for the three or nine months ended September 30, 2024.

**Armistice Capital Agreement**

On February 12, 2024, the Company entered into a SPA with Armistice. Pursuant to the SPA, Armistice purchased (i) 450,300 shares (the "Shares") of the Company's Class A common stock, and (ii) a pre-funded Class A common stock purchase warrant (the "Pre-Funded Warrant") for 810,205 shares of the Company's Class A common stock (the "Pre-Funded Warrant Shares"). The per share purchase price of the Shares and the Pre-Funded Warrant Shares was $4.76, resulting in aggregate gross proceeds of $6.0 million, and after giving effect to the exercise price of $0.0001 per Pre-Funded Warrant Share, the Company received net proceeds of $6.0 million. The Pre-Funded Warrant, which had an initial exercise date of February 14, 2024, was exercised in full during the nine months ended September 30, 2024, which resulted in the issuance of 810,205 Class A shares of common stock. In addition, the Company issued to Armistice a five-year Class A common stock purchase warrant (the "Armistice Warrant") entitling Armistice, commencing on August 14, 2024, to acquire up to 1,260,505 shares of the Company's Class A common stock from time to time at an exercise price of $5.25 per share (the "Warrant Shares").

The Pre-Funded Warrant and Armistice Warrant were classified as a component of permanent stockholders' equity within additional paid-in capital and were recorded at the issuance date using a relative fair value allocation method. The Company valued the Pre-Funded Warrant at issuance, concluding that its sale price approximated their fair value, and allocated the aggregate net proceeds from the sale proportionately to the Armistice Warrant and Pre-Funded Warrant, including approximately $2.0 million allocated to the Pre-Funded Warrant and recorded as a component of additional paid-in capital. The Company valued the Armistice Warrant using the Black-Scholes-Merton option pricing model and recorded as a component of additional paid-in capital with an allocated amount of $2.8 million. By analogy to ASC 505-20-30-3, the Company would have recorded a charge to retained earnings, however, as the Company is in a deficit position it was recorded as a component of additional paid-in capital.

**Warrants**

The following table summarizes the Company's warrant activity:

| | Number of warrants | Weighted Average Exercise Price |
|---|---|---|
| Warrants outstanding at December 31, 2023 | 180,000 | $ 7.00 |
| Issued | 2,070,710 | 3.20 |
| Exercised | (810,205) | 0.0001 |
| Warrants outstanding at September 30, 2024 | 1,440,505 | $ 5.47 |

The following table summarizes information about warrants outstanding at September 30, 2024:

| | Number of Warrants Outstanding | Number of Warrants Exercisable | Exercise Price | Expiration Date |
|---|---|---|---|---|
| December 2023 Warrants | 180,000 | 180,000 | $ 7.00 | December 11, 2024 |
| February 2024 Warrants | 1,260,505 | 1,260,505 | $ 5.25 | August 14, 2029 |
| | 1,440,505 | 1,440,505 | | |

**10. COMMITMENTS AND CONTINGENCIES**

*Legal Matters*

From time to time, the Company may be involved in various lawsuits and legal proceedings that arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in such matters may arise and harm the Company's business. Except as otherwise disclosed in this Note 10, "*Commitments and Contingencies—Legal Matters*", the Company is currently not aware of any such legal proceedings or claims that it believes will have a material adverse effect on its business, financial condition, or operating results.

Title V Air Permit Renewal Litigation

In late June 2022, the New York State Department of Environmental Conservation ("NYSDEC") announced its denial of the Title V Air Permit renewal for our New York Facility. We filed a notice with NYSDEC in July 2022 requesting a hearing on NYSDEC's decision. In September 2023, the administrative law judge presiding over the hearing issued a ruling with respect to the status of the parties and certain issues to be adjudicated in the hearing. We submitted an interim appeal with NYSDEC thereafter challenging such ruling with a motion to stay the broader appeals process while the interim appeal was being resolved. On May 8, 2024, our interim appeal to NYSDEC and request for an adjudicatory hearing were ultimately denied, and the June 2022 non-renewal of our Title V Air Permit was affirmed by NYSDEC's Regional Director for Region 7, which rendered NYSDEC's decision final for purposes of seeking judicial review. On August 15, 2024, we filed a verified petition and complaint pursuant to Article 78 of the New York Civil Practice Law and Rules against NYSDEC in New York Supreme Court, Yates County (the "Court"), seeking declaratory and injunctive relief relating to NYSDEC's denial of our renewal application for our New York Facility, including, among other things, to (i) annul NYSDEC's June 2022 denial of our renewal application and the May 8, 2024 affirmation of such denial by NYSDEC's Regional Director for Region 7; (ii) issue certain declaratory judgments with respect to NYSDEC's interpretation of the New York Climate Leadership and Community Protection Act on which the denial of our renewal application was predicated; and (iii) enjoin NYSDEC from taking any action to request that the New York Facility cease operations. On August 20, 2024, we submitted a motion to the Court by Order to Show Cause seeking a temporary restraining and preliminary injunction (the "TRO Request") permitting the Facility to continue operations during the pendency of the Article 78 proceeding. Subsequent to submission of the TRO Request, Greenidge and NYSDEC agreed to a briefing schedule with the respect to the TRO Request, with a hearing before the Court which occurred in late October 2024. In connection with the agreed-upon briefing schedule, NYSDEC agreed that Greenidge need not (i) cease operations of any air contamination sources located at the Facility, (ii) render such air contamination sources inoperable, or (iii) relinquish the Title V Air Permit until November 1, 2024 (the "November 1 Stay"). On October 29, 2024, a hearing was held before the Court and a stipulation on the record was entered into between the Company and NYSDEC, agreeing to extend the November 1 Stay through

November 14, 2024 (the “November 14 Stay”). The Company expects that the Court will render a decision on the TRO Request or, alternatively, the Company's Article 78 challenge of the denial of the permit renewal application in total, prior to the expiration of the November 14 Stay. This challenge has, and will continue, to cause us to incur additional costs and result in the diversion of management attention, which could adversely affect our business, financial condition and results of operations. We expect that the judicial proceedings related to the challenge of NYSDEC’s denial of our Title V Air Permit renewal application may take a number of years to fully resolve, and there can be no assurance that our efforts will be successful. Our inability to secure a temporary restraining order or preliminary injunction to allow the New York Facility to continue operating during the pendency of the litigation or to otherwise succeed in securing a renewal of our Title V Air Permit for the New York Facility could have a material adverse effect on our business, financial condition, and operating results, and our ability to continue operating as a going concern. See Note 2, “Summary of Significant Accounting Policies,” in the Notes to Condensed Consolidated Financial Statements.

*Environmental Liabilities*

The Company has a CCR liability associated with the closure of a coal ash pond located on the Company’s property in the Town of Torrey, New York. In accordance with ASC 410-30, the Company has a liability of $17.3 million as of September 30, 2024 and December 31, 2023, respectively. CCRs are subject to federal and state requirements. In October 2023, the Company completed the necessary steps to officially cease use of the coal ash pond. Following this occurring, the Company is required to complete the remediation of the coal ash pond CCR by November 2028 and will perform the work in stages over the next five years. Current estimates are based on various assumptions including, but not limited to, closure and post-closure cost estimates, timing of expenditures, escalation factors, and requirements of granted permits. Additional adjustments to the environment liability may occur periodically due to changes in remediation requirements regarding CCRs, which may lead to material changes in estimates and assumptions.

The Company owns and operates a fully permitted landfill that also acts as a leachate treatment facility. In accordance with ASC 410-30, Environmental Obligations ("ASC 410-30"), the Company has recorded an environmental liability of $12.9 million as of September 30, 2024 and December 31, 2023. As required by NYSDEC, companies with landfills are required to fund a trust to cover closure costs and expenses after the landfill has stopped operating or, in lieu of a trust, may negotiate to maintain a letter of credit guaranteeing the payment of the liability. Estimates are based on various assumptions including, but not limited to, closure and post-closure cost estimates, timing of expenditures, escalation factors, and requirements of granted permits. Additional adjustments to the environment liability may occur periodically due to potential changes in estimates and assumptions. The liability has been determined based on estimated costs to remediate as well as post-closure costs which are assumed over an approximate 30-year period and assumes an annual inflation rate of 2.4%.

*Commitments*

The Company entered into a contract with Empire Pipeline Incorporated in September 2020 which provides for the transportation to its pipeline of 15,000 dekatherms of natural gas per day, approximately $0.2 million per month. The contract ends in September 2030 and may be terminated by either party with 12 months’ notice after the initial 10-year period.

**11. CONCENTRATIONS**

The Company has a single hosting customer that accounted for 53% and 58% of the Company’s revenue during the three months ended September 30, 2024 and 2023, respectively, as well as 50% and 57% of the Company’s revenue during the nine months ended September 30, 2024 and 2023, respectively.

For the Company’s self-mining operations, Greenidge considers its mining pool operators to be its customers. Greenidge has historically used a limited number of pool operators that have operated under contracts with a one-day term, which allows Greenidge the option to change pool operators at any time. Revenue from one of the Company’s pool operator customers accounted for approximately 26% and 32% of total revenue for the three months ended September 30, 2024 and 2023, respectively, and 34% and 31% for the nine months ended September 30, 2024 and 2023, respectively.

The Company has one major power customer, NYISO, that accounted for 21% and 10% of its revenue for the three months ended September 30, 2024 and 2023, respectively, and 16% and 10% for the nine months ended September 30, 2024 and 2023, respectively.

The Company has one natural gas vendor that accounted for approximately 33% and 19% of cost of revenue for the three months ended September 30, 2024 and 2023, respectively, and 36% and 26% for the nine months ended September 30, 2024 and 2023, respectively.

The Company previously had one major provider of hosting services for its self-mining operation that accounted for approximately 0% and 24% of cost of revenue for the three months ended September 30, 2024 and 2023, respectively, and 12% and 15% of cost of revenue for the nine months ended September 30, 2024 and 2023, respectively. During the nine months ended September 30, 2024, the contract with the Company's major provider of hosting services for its self-mining operation was terminated. As a result, the Company deployed the miners operated at the host's site to sites they operate as part of its self-mining operations.

## 12. RELATED PARTY TRANSACTIONS

### Letters of Credit

Atlas Holdings LLC, our controlling shareholder and a related party (collectively with its affiliates, "Atlas"), obtained a letter of credit from a financial institution in the amount of $5.0 million at September 30, 2024 and December 31, 2023, payable to the NYSDEC. This letter of credit guarantees the current value of the Company's landfill environmental trust liability. See Note 10, "Commitments and Contingencies" for further details.

Atlas also has a letter of credit from a financial institution in the amount of $3.6 million at September 30, 2024 and December 31, 2023, payable to Empire Pipeline Incorporated ("Empire") in the event the Company should not make contracted payments for costs related to a pipeline interconnection project the Company has entered into with Empire (see Note 10, "*Commitments and Contingencies*").

### Mississippi Expansion

On April 10, 2024, the Company closed on the purchase of a parcel of land containing approximately 12 acres located in Columbus, Mississippi, including over 73,000 square feet of industrial warehouse space, from a subsidiary of Motus Pivot Inc., a portfolio company of Atlas. The purchase price was $1.45 million, which was paid during the nine months ended September 30, 2024. This property provides us with access to 32.5 MW of additional power capacity. The transaction closed in April 2024 and we deployed 8.5 MW of miners on the property as of September 30, 2024.

### Co-Defendant Endorsement

On October 14, 2024, the Company agreed to include a co-defendant endorsement under its directors and officers liability insurance policy (the "D&O Policy") with respect to Atlas and certain of its affiliates, which, in certain circumstances, extends coverage to claims for losses attributable to a wrongful act of the Company or any of our insured persons jointly made and continuously maintained against the Company and/or any of our insured persons under the D&O Policy, on the one hand, and Atlas and/or certain of its affiliates, on the other. The inclusion of such co-defendant endorsement resulted in no change to the Company's premiums with respect to its D&O insurance policy.

### Other

Affiliates of Atlas from time to time incur certain costs for the benefit of Greenidge, which are fully reimbursed by Greenidge. Greenidge did not reimburse Atlas or its affiliates for any such costs during the quarter ended September 30, 2024.

## 13. SUPPLEMENTAL BALANCE SHEET AND CASH FLOW INFORMATION

### Contract liabilities

At times, we receive payments from customers before revenue is recognized, resulting in the recognition of a contract liability presented on the Condensed Consolidated Balance Sheets.

Changes in the Contract liability balance for the nine months ended September 30, 2024 are as follows:

| $ in thousands | Contract Liabilities |
|---|---|
| Balance as of December 31, 2023 | $ — |
| Revenue recognized | $ — |
| Deposits received | $ 2,200 |
| Balance as of September 30, 2024 | $ 2,200 |

**Prepaid expenses and accrued expenses**

| $ in thousands | September 30, 2024 | December 31, 2023 |
|---|---|---|
| **Prepaid expenses:** | | |
| Electric deposits | $ 588 | $ — |
| Prepaid insurance | 315 | 2,818 |
| Warrant asset | 57 | 477 |
| Other | 816 | 569 |
| Total | $ 1,776 | $ 3,864 |
| | | |
| **Accrued expenses:** | | |
| Accrued interest | $ 1,026 | $ 1,026 |
| Other | 3,145 | 5,090 |
| Total | $ 4,171 | $ 6,116 |

Greenidge had the following noncash investing and financing activities:

| | Nine Months Ended September 30, | |
|---|---|---|
| $ in thousands | 2024 | 2023 |
| Cumulative-effect adjustment due to the adoption of ASU 2023-08 | $ 22 | $ — |
| Property and equipment purchases in accounts payable | $ 174 | $ 1,581 |
| Common stock issued for amendment fee to lender | $ — | $ 1,000 |
| Sale of equipment in exchange for receivable | $ 1,200 | $ — |
| Exchange of assets for reduction in debt | $ — | $ 49,950 |
| Exchange of coupons for reduction in debt | $ — | $ 1,152 |
| Exchange of equipment deposits for reduction in debt | $ — | $ 7,381 |
| Accrued interest added to debt principal | $ — | $ 592 |
| Right-of-use asset obtained in exchange for operating lease liability | $ 156 | $ — |

The following table provides supplemental cash flow information for cash paid for interest:

| | Nine Months Ended September 30, | |
|---|---|---|
| $ in thousands | 2024 | 2023 |
| Cash paid for interest | $ 4,603 | $ 5,714 |

**14. DIGITAL ASSETS**

The following table presents our bitcoin holdings as of September 30, 2024 and December 31, 2023 (in thousands, except bitcoin held):

| **Digital assets holdings** | **September 30, 2024** | **December 31, 2023** |
|---|---|---|
| Number of bitcoin held | 60.7 | 8.7 |
| Carrying basis of bitcoin | $ 3,721 | $ 347 |
| Fair Value of bitcoin | $ 3,845 | $ 369 |

The carrying basis represents the valuation of bitcoin at the time the Company earns the bitcoin through mining activities. The carrying amount for 8.7 bitcoin held as of December 31, 2023 was determined on the "cost-less-impairment" basis prior to the adoption of ASU 2023-08.

The following table represents a reconciliation of the fair values of our digital assets (in thousands):

| Digital assets: | **Three Months Ended September 30, 2024** | **Nine Months Ended September 30, 2024** |
|---|---|---|
| Beginning balance at fair value | $ 961 | $ 369 |
| Additions | 3,267 | 15,041 |
| Dispositions | (539) | (11,769) |
| Gain (loss) on digital assets | 156 | 204 |
| Ending balance | $ 3,845 | $ 3,845 |

The Company's bitcoin holdings are not subject to contractual sale restrictions. As of September 30, 2024, the Company held no other digital assets.

## 15. FAIR VALUE

The Company follows the guidance in ASC Topic 820, *Fair Value Measurement*. For assets and liabilities measured at fair value on a recurring and nonrecurring basis, a three-level hierarchy based upon observable and unobservable inputs is used to arrive at fair value. The Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

As of September 30, 2024, and December 31, 2023, the carrying amount of accounts receivable, prepaid expenses and other assets, income tax receivable, emissions and carbon offset credits, income tax receivable, accounts payable, accrued expenses, accrued emissions expense, and other short-term liabilities approximated their fair value due to their relatively short maturities.

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis and indicate the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value (in thousands):

| | As of December 31, 2023 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Assets:** | | | | |
| Prepaid expenses and current other assets: | | | | |
| Warrant asset | $ — | $ — | $ 477 | $ 477 |

| | As of September 30, 2024 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Assets:** | | | | |
| Digital assets | $ 3,845 | $ — | $ — | $ 3,845 |
| Prepaid expenses and current other assets: | | | | |
| Warrant asset | $ — | $ — | $ 57 | $ 57 |

**Warrant Asset**

The fair value of the warrant asset was estimated by utilizing a Black-Scholes-Merton option pricing model. The inputs into the Black-Scholes-Merton option pricing model included significant unobservable inputs. The following table provides quantitative information regarding the Level 3 fair value inputs:

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| Stock Price | $ 3.10 | $ 4.83 |
| Risk-free interest rate | 5.21 % | 5.14 % |
| Volatility | 67.09 % | 172.64 % |
| Remaining term (in years) | 0.75 | 1.00 |
| Expected dividend yield | — % | — % |

**Assets Measured on a Nonrecurring Basis**

Assets that are measured at fair value on a nonrecurring basis are remeasured when carrying value exceeds fair value. This includes the evaluation of long-lived assets. Where an indication of an impairment exists, the Company's estimates of fair value of long-lived assets require the use of significant unobservable inputs, representative of Level 3 fair value measurements, including numerous assumptions with respect to future circumstances that might impact the long-lived assets' operations in the future and are therefore uncertain.

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. To determine recoverability of a long-lived asset, management evaluates whether the estimated future undiscounted net cash flows, based on prevailing market conditions, from the asset are less than its carrying amount. If impairment is indicated, the long-lived asset is written down to fair value.

There were no impairment charges for the three months ended September 30, 2024 and impairment charges of $4.0 million for the three months ended September 30, 2023. During the nine months ended September 30, 2024, the Company recognized an impairment charge of $0.2 million of property and equipment, net. There were impairment charges of $4.0 million for the nine months ended September 30, 2023.

## 16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 7, 2024, the date at which the condensed consolidated financial statements were available to be issued, and the Company has concluded that no such events or transactions took place that would require disclosure herein except as stated directly below.

### Delisting Notice

On October 14, 2024, the Company received written notice from the Listing Qualifications Department of The Nasdaq Stock Market LLC ("Nasdaq") notifying the Company that, based on the staff's review of the market value of publicly held shares (the "MVPHS") of the Company's Class A common stock, for 30 consecutive business days, the Company no longer complied with Nasdaq's minimum MVPHS requirement of at least $15,000,000 for continued listing on The Nasdaq Global Select Market. The notice provided that the Company had 180 days, or until April 14, 2025, to regain compliance with the minimum MVPHS requirement for 10 consecutive business days.

On October 25, 2024, the Company received written notice from Nasdaq notifying the Company that the staff has determined that for the 10 consecutive business days preceding October 25, 2024, the Company's MVPHS has been $15,000,000 or greater. Accordingly, the Company has regained compliance with Nasdaq's minimum MVPHS requirement for continued listing on The Nasdaq Global Select Market, and the staff indicated that the matter has been closed.

### Exchange Agreements

On October 24, 2024 and November 5, 2024, the Company entered into privately negotiated exchange agreements, pursuant to which it issued an aggregate of 57,582 shares of the Company's Class A common stock, in exchange for $0.3 million aggregate principal amount of its 8.50% Senior Notes due October 2026.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion should be read together with the audited financial statements and the related notes thereto of Greenidge Generation Holdings Inc., together with its consolidated subsidiaries ("Greenidge" or the "Company") for the years ended December 31, 2023 and 2022 included in our Annual Report on Form 10-K and the unaudited interim financial statements and related notes thereto of the Company for the three and nine months ended September 30, 2024 included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains certain forward-looking statements that reflect plans, estimates and beliefs and involve numerous risks and uncertainties, including but not limited to those described in the "Risk Factors" disclosed in Item 1A to Part I of Greenidge's Annual Report on Form 10-K for the year ended December 31, 2023* and in this Quarterly Report on Form 10-Q, *and "Cautionary Statement Regarding Forward-Looking Statements" sections of this Quarterly Report on Form 10-Q. Actual results may differ materially from those contained in any forward-looking statements. For purposes of this section, "Greenidge", "the Company," "we," "us" and "our" refer to Greenidge Generation Holdings Inc. together with its consolidated subsidiaries. You should carefully read "Cautionary Statement Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q.*

**Overview**

We own cryptocurrency datacenter operations in the Town of Torrey, New York (the "New York Facility"), the Town of Columbia, Mississippi (the "Mississippi Facility"), lease property for purposes of operating a cryptocurrency datacenter in the Town of Underwood, North Dakota (the "North Dakota Facility") and previously owned and operated a facility in Spartanburg, South Carolina (the "South Carolina Facility", and, collectively, the "facilities"). The New York Facility is a vertically integrated cryptocurrency datacenter and power generation facility with an approximately 106 megawatt ("MW") nameplate capacity, natural gas power generation facility. We generate revenue from four primary sources: (1) datacenter hosting, which we commenced on January 30, 2023, (2) cryptocurrency mining, (3) power and capacity, and (4) engineering procurement and construction management.

We generate all the power we require for operations in the New York Facility, where we enjoy relatively lower market prices for natural gas due to our access to the Millennium Gas Pipeline price hub. We believe our competitive advantages include efficiently designed mining infrastructure and in-house operational expertise that we believe is capable of maintaining a higher operational uptime of miners. We are mining bitcoin and hosting bitcoin miners, which contributes to the security and transactability of the bitcoin ecosystem while concurrently supplying power to assist in meeting the power needs of homes and businesses in the region served by our New York Facility.

Our datacenter operations consists of approximately 29,200 miners with approximately 3.1 EH/S of combined capacity for both datacenter hosting and cryptocurrency mining, of which 18,200 miners or 1.8 EH/s, is associated with datacenter hosting and 11,000 miners, or 1.3 EH/s is associated with our cryptocurrency mining. In 2023, prior to the South Carolina transaction, our datacenter operations consisted of approximately 42,300 miners with approximately 4.6 EH/s of combined capacity for both datacenter hosting and cryptocurrency mining, of which 32,100 miners, or 3.4 EH/s, were associated with datacenter hosting and 10,200 miners, or 1.2 EH/s, were associated with Greenidge's cryptocurrency mining.

**Recent Developments**

In the first nine months of 2024, Greenidge made significant efforts to reduce costs, leading to selling, general and administrative expense reductions of $9.3 million compared to the same period in 2023. Greenidge also reported a reduction in overall operating costs for its Bitcoin mining operations in the third quarter of 2024, when compared to the same period of 2024, while expanding its footprint.

On April 10, 2024, we closed on the purchase of a parcel of land containing approximately 12 acres located in Columbus, Mississippi, including over 73,000 square feet of industrial warehouse space, from a subsidiary of Motus Pivot Inc., a portfolio company of Atlas, our controlling shareholder and a related party. The purchase price was $1.45 million, all of which was paid during the nine months ended September 30, 2024. This property provides us with access to 32.5 MW of additional power capacity. The transaction closed in April 2024, and we deployed 8.5 MW of miners on the property as of September 30, 2024. We have also deployed additional miners in conjunction with a 7.5 MW mining capacity lease in North Dakota, which has a term of five years and provides us with energy to power mining.

Our successful execution of the June 2024 planned maintenance outage of the New York Facility and relocation of owned miners from third-party operated sites to Company-operated facilities in the second quarter of 2024 resulted in our miners being non-operational for a period. We anticipate such actions will positively impact its profitability in the near term by reducing operational costs and maintaining elevated uptime levels. We also continue to explore additional opportunities to further streamline operations and improve efficiency across its business units.

In July 2024, we announced the launch of our Pod X portable cryptocurrency mining infrastructure solution, which is deployed at our facilities across the United States and reflects a culmination of our experience in maintaining optimal temperature control and uptime using portable mining equipment.

On August 1, 2024, we announced our new bitcoin self-mining retention strategy, which enables us to accumulate bitcoin from our owned miners in order to increase our bitcoin holdings.

**Discontinued Operations**

The contract with Support.com's largest customer expired on December 31, 2022 and was not renewed. As a result, we have classified the Support.com business as held for sale and discontinued operations in these condensed consolidated financial statements as a result of management and the board of directors making a decision to pursue alternatives for the Support.com business and to strictly focus on its cryptocurrency mining, datacenter hosting and power generation operations. See Note 3, "*Discontinued Operations*" of our unaudited condensed consolidated financial statements for additional information.

**Title V Air Permit**

In late June 2022, NYSDEC announced its denial of the Title V Air Permit renewal for our New York Facility. We filed a notice with NYSDEC in July 2022 requesting a hearing on NYSDEC's decision. In September 2023, the administrative law judge presiding over the hearing issued a ruling with respect to the status of the parties and certain issues to be adjudicated in the hearing. We submitted an interim appeal with NYSDEC thereafter challenging such ruling with a motion to stay the broader appeals process while the interim appeal was being resolved. On May 8, 2024, our interim appeal to NYSDEC and request for an adjudicatory hearing were ultimately denied, and the June 2022 non-renewal of our Title V Air Permit was affirmed by NYSDEC's Regional Director for Region 7, which rendered NYSDEC's decision final for purposes of seeking judicial review.

On August 15, 2024, we filed a verified petition and complaint pursuant to Article 78 of the New York Civil Practice Law and Rules against NYSDEC in the New York Supreme Court, Yates County (the "Court"), seeking declaratory and injunctive relief relating to NYSDEC's denial of our renewal application for our New York Facility, including, among other things, to (i) annul NYSDEC's June 2022 denial of our renewal application and the May 8, 2024 affirmation of such denial by NYSDEC's Regional Director for Region 7, (ii) issue certain declaratory judgments with respect to NYSDEC's interpretation of the New York Climate Leadership and Community Protection Act on which the denial of our renewal application was predicated, and (iii) enjoin NYSDEC from taking any action to request that the New York Facility cease operations.

On August 20, 2024, we submitted a motion to the Court by Order to Show Cause seeking a temporary restraining and preliminary injunction (the "TRO Request") permitting the Facility to continue operations during the pendency of the Article 78 proceeding. Subsequent to submission of the TRO Request, Greenidge and NYSDEC agreed to a briefing schedule with the respect to the TRO Request, with a hearing before the Court expected to occur in late October 2024. In connection with the agreed-upon briefing schedule, NYSDEC agreed that Greenidge does not need to (i) cease operations of any air contamination sources located at the New York Facility, (ii) render such air contamination sources inoperable, or (iii) relinquish the Title V Air Permit until November 1, 2024, which was subsequently extended through November 14, 2024 (the "November 14 Stay"). We expect that the Court will render a decision on the TRO Request or, alternatively, our Article 78 challenge of the denial of the permit renewal application in total, prior to the expiration of the November 14 Stay.

This challenge has, and will continue, to cause us to incur additional costs and result in the diversion of management attention, which could adversely affect our business, financial condition and results of operations. We expect that the judicial proceedings related to the challenge of NYSDEC's denial of our Title V Air Permit renewal application may take a number of years to fully resolve, and there can be no assurance that our efforts will be successful. Our inability to secure a temporary restraining order or preliminary injunction to allow the New York Facility to continue operating during the pendency of the litigation or to otherwise succeed in securing a renewal of our Title V Air Permit for the New York Facility could have a material adverse effect on us and our ability to continue operating as a going concern. See Note 2, "Summary of Significant Accounting Policies," in the Notes to Condensed Consolidated Financial Statements.

**Results from Continuing Operations - Three Months Ended September 30, 2024**

The following table (in thousands) sets forth key components of our results from continuing operations and should be read in conjunction with our condensed consolidated financial statements and related notes. All comparisons below refer to the three months ended September 30, 2024 versus the three months ended September 30, 2023, unless otherwise specified.

| | Three Months Ended September 30, | | Variance | |
|---|---|---|---|---|
| | 2024 | 2023 | $ | % |
| REVENUE: | | | | |
| Datacenter hosting | $ 6,490 | $ 12,136 | $ (5,646) | (47)% |
| Cryptocurrency mining | 3,267 | 6,602 | (3,335) | (51)% |
| Power and capacity | 2,594 | 2,141 | 453 | 21 % |
| Total revenue | 12,351 | 20,879 | (8,528) | (41)% |
| OPERATING COSTS AND EXPENSES: | | | | |
| Cost of revenue (exclusive of depreciation) | 9,304 | 15,355 | (6,051) | (39)% |
| Selling, general and administrative | 3,730 | 6,662 | (2,932) | (44)% |
| Depreciation | 3,390 | 3,383 | 7 | — % |
| Impairment of long-lived assets | — | 4,000 | (4,000) | (100)% |
| Gain on digital assets | (156) | — | (156) | N/A |
| Loss on sale of assets | 693 | — | 693 | N/A |
| Remeasurement of environmental liability | — | 1,600 | (1,600) | (100)% |
| Total operating costs and expenses | 16,961 | 31,000 | (14,039) | (45)% |
| Operating loss | (4,610) | (10,121) | 5,511 | (54)% |
| OTHER INCOME (EXPENSE), NET: | | | | |
| Interest expense, net | (1,832) | (3,040) | 1,208 | (40)% |
| Total other expense, net | (1,832) | (3,040) | 1,208 | (40)% |
| Loss from continuing operations before income taxes | (6,442) | (13,161) | 6,719 | (51)% |
| Benefit from income taxes | (118) | — | (118) | N/A |
| Net loss from continuing operations | $ (6,324) | $ (13,161) | $ 6,837 | (52)% |
| | | | | |
| ***Adjusted Amounts (a)*** | | | | |
| Adjusted operating loss from continuing operations | $ (3,917) | $ (3,852) | $ (65) | 2 % |
| Adjusted operating margin from continuing operations | (31.7)% | (18.4)% | | |
| Adjusted net loss from continuing operations | $ (5,631) | $ (6,892) | $ 1,261 | (18)% |
| ***Other Financial Data (a)*** | | | | |
| EBITDA (loss) from continuing operations | $ (1,220) | $ (6,738) | $ 5,518 | (82)% |
| *as a percent of revenues* | *(9.9)%* | *(32.3)%* | | |
| Adjusted EBITDA (loss) from continuing operations | $ (110) | $ 13 | $ (123) | (946)% |
| *as a percent of revenues* | *(0.9)%* | *0.1 %* | | |

(a) Adjusted Amounts and Other Financial Data are non-GAAP performance measures. A reconciliation of reported amounts to adjusted amounts can be found in the "Non-GAAP Measures and Reconciliations" section of this Management's Discussion and Analysis ("MD&A").

**Key Metrics**

The following table provides a summary of key metrics related to the three months ended September 30, 2024 and 2023.

| $ in thousands, except $ per MWh and average bitcoin price | Three Months Ended September 30, 2024 | 2023 | Variance $ | % |
|---|---|---|---|---|
| **Revenue** | | | | |
| Datacenter hosting | $ 6,490 | $ 12,136 | $ (5,646) | (47)% |
| Cryptocurrency mining | 3,267 | 6,602 | (3,335) | (51)% |
| Power and capacity | 2,594 | 2,141 | 453 | 21 % |
| Total revenue | $ 12,351 | $ 20,879 | $ (8,528) | (41)% |
| **Components of revenue as % of total** | | | | |
| Datacenter hosting | 53 % | 58 % | | |
| Cryptocurrency mining | 26 % | 32 % | | |
| Power and capacity | 21 % | 10 % | | |
| Total revenue | 100 % | 100 % | | |
| **MWh** | | | | |
| Datacenter hosting | 115,307 | 187,843 | (72,536) | (39)% |
| Cryptocurrency mining | 48,859 | 66,502 | (17,643) | (27)% |
| Power and capacity | 42,554 | 46,008 | (3,454) | (8)% |
| **Revenue per MWh** | | | | |
| Datacenter hosting | $ 56 | $ 65 | $ (9) | (14)% |
| Cryptocurrency mining | $ 67 | $ 99 | $ (32) | (32)% |
| Power and capacity | $ 61 | $ 47 | $ 14 | 30 % |
| **Cost of revenue (exclusive of depreciation)** | | | | |
| Datacenter hosting | $ 4,941 | $ 9,432 | $ (4,491) | (48)% |
| Cryptocurrency mining | $ 2,599 | $ 4,458 | $ (1,859) | (42)% |
| Power and capacity | $ 1,764 | $ 1,465 | $ 299 | 20 % |
| EPCM consulting services | $ — | $ — | $ — | N/A |
| **Cost of revenue per MWh (exclusive of depreciation)** | | | | |
| Datacenter hosting | $ 43 | $ 50 | $ (7) | (14)% |
| Cryptocurrency mining | $ 53 | $ 67 | $ (14) | (21)% |
| Power and capacity | $ 41 | $ 32 | $ 9 | 28 % |
| **Cryptocurrency Mining Metrics** | | | | |
| **Bitcoins produced:** | | | | |
| Datacenter hosting | 113 | 622 | (509) | (82)% |
| Cryptocurrency mining | 53 | 235 | (182) | (77)% |
| Total bitcoins produced | 166 | 857 | (691) | (81)% |
| | | | | |
| Average bitcoin price | $ 61,023 | $ 28,086 | $ 32,937 | 117 % |
| Average active hash rate (EH/s) Company-owned miners | 791,533 | 1,069,816 | (278,283) | (26)% |
| Average active hash rate (EH/s) Hosted miners | 1,663,884 | 2,829,274 | (1,165,390) | (41)% |
| Average difficulty | 85.9 T | 53.8 T | 32.1 T | 60 % |

***Revenue***

On January 30, 2023, upon entering into the NYDIG Hosting Agreement, we transitioned the majority of the capacity of our owned datacenter facilities to datacenter hosting operations. In November 2023, we sold the South Carolina Facility, which was part of our datacenter hosting operations. We entered into hosting arrangements at third party sites for the majority of our remaining owned miners in the second quarter of 2023. In the second quarter of 2024, the hosting agreements to operate miners at third party sites were terminated. As a result, we deployed miners operated at the host's sites to our own self-mining sites. At September 30, 2024, Greenidge datacenter operations consisted of approximately 29,200 miners with approximately 3.1 EH/s of combined capacity for both datacenter hosting and cryptocurrency mining, of which 18,200 miners, or 1.8 EH/s, is associated with datacenter hosting and 11,000 miners, or 1.3 EH/s, is associated with Greenidge's cryptocurrency mining.

*Cryptocurrency mining revenue*

For our cryptocurrency mining revenue, we generate revenue in the form of bitcoin by earning bitcoin as rewards and transaction fees for supporting the global bitcoin network with application-specific integrated circuit computers ("ASICs" or "miners") owned or leased by the Company. Our cryptocurrency mining revenue decreased $3.3 million, or 51%, to $3.3 million. We estimate that approximately 77% of the decrease was due to increases in the global bitcoin mining difficulty factor and the bitcoin halving that occurred in April 2024, which was partially offset by 26% due to the increase in the average price of bitcoin. Bitcoin mining difficulty was 60% higher compared to the prior year due to increases in the difficulty index associated with the complexity of the algorithmic solution required to create a block and receive a bitcoin award, the average bitcoin price was 117% higher and our average hash rate decreased 26%. The decline in average hashrate is attributable to the Company's focus on maximizing profitability by prioritizing operations of its most efficient miners, curtailing operations of less efficient miners during periods of decreased profitability, and the ongoing efforts to redeploy miners previously hosted at third party locations.

The miners associated with Greenidge's cryptocurrency mining were comprised as follows:

| Vendor and Model | Number of Miners |
|---|---|
| Bitmain S19 | 4,000 |
| Bitmain S19 Pro | 2,000 |
| Bitmain S19j Pro | 900 |
| Bitmain S19 XP | 3,600 |
| Bitmain S19 Hydro | 200 |
| Bitmain S21 Pro | 300 |
| | 11,000 |

As of September 30, 2024, our fleet of miners ranged in age from 0.1 to 3.1 years and had an average age of approximately 2.3 years. We do not have scheduled downtime for our miners. When we have unscheduled downtime, we may from time to time replace a miner with a substitute miner in order to minimize overall fleet downtime. As of September 30, 2024, our fleet of miners ranged in efficiency from approximately 15.0 to 34.0 joules per terahash ("J/TH") and had an average efficiency of 27.1 J/TH.

The table below presents the average cost of mining each bitcoin for the three months ended September 30, 2024:

| Cost of Mining - Analysis of Costs to Mine One Bitcoin | Three Months Ended September 30, 2024 |
|---|---|
| Cost to mine one bitcoin(1) | $ 49,038 |
| Value of each bitcoin mined(2) | $ 61,642 |
| Cost to mine one bitcoin as % of value of bitcoin mined | 79.6 % |

(1) Computed as cost of revenue of cryptocurrency mining divided by number of bitcoins produced from cryptocurrency mining.
(2) Computed as cryptocurrency mining revenue divided by number of bitcoins produced from cryptocurrency mining.

*Datacenter hosting revenue*

On January 30, 2023, we entered into the NYDIG Hosting Agreement to provide datacenter hosting services. Under the NYDIG Hosting Agreement, we generate revenue from a reimbursement fee that covers the cost of power and direct costs associated with management of the mining facilities, a hosting fee and a gross profit-sharing arrangement. The arrangement covers substantially all of our current mining capacity at the New York Facility and the South Carolina Facility during the 2023 comparative period, prior to the sale of the facility on November 15, 2023. We generated revenue of $6.5 million for the three months ended September 30, 2024 and $12.1 million for the three months ended September 30, 2023. This decrease of $5.6 million was mainly due to the sale of the South Carolina Facility and partially offset by a 117% increase in price of bitcoin. In addition, we managed approximately 1.7 EH/s of average active hash rate in our hosting services, of which produced approximately 113 bitcoins.

*Power and capacity revenue*

Power and capacity revenue at our New York Facility is earned when we sell capacity and energy and ancillary services to the wholesale power grid managed by the New York Independent System Operator ("NYISO"). Through these sales, we earn revenue in three streams, including: (1) power revenue received based on the hourly price of power, (2) capacity revenue for committing to sell power to the NYISO when dispatched and (3) other ancillary service revenue received as compensation for the provision of operating reserves. Our power and capacity revenue increased $0.5 million, or 21%, to $2.6 million during the three months ended September 30, 2024. We estimate that higher average power and capacity prices caused revenue increases of approximately 29%, which was partially offset by lower power and capacity sales volume of 8%, as compared to the prior period.

***Cost of revenue (exclusive of depreciation)***

| | Three Months Ended September 30, | | Variance | |
|---|---|---|---|---|
| ***$ in thousands*** | **2024** | **2023** | **$** | **%** |
| Datacenter hosting | $ 4,941 | $ 9,432 | $ (4,491) | (48)% |
| Cryptocurrency mining | 2,599 | 4,458 | (1,859) | (42)% |
| Power and capacity | 1,764 | 1,465 | 299 | 20 % |
| Total cost of revenue (exclusive of depreciation) | $ 9,304 | $ 15,355 | $ (6,051) | (39)% |
| *As a percentage of total revenue* | *75.3 %* | *73.5 %* | | |

Total cost of revenue, exclusive of depreciation, decreased $6.1 million, or 39%, to $9.3 million during the three months ended September 30, 2024 as compared to the prior year period. We estimate the decrease is comprised of approximately 22% due to the lower utilization of electricity involved in production as a result of the sale of our South Carolina facility in the fourth quarter of 2023 and 17% due to our transition away from third party hosting service agreements for our own miners, lower natural gas and electricity charges, and lower MWh power consumption by our power plant and operating miner fleet.

Our New York Facility allocates its cost of revenue between datacenter hosting, cryptocurrency mining and power and capacity based on their respective MWh consumption on a pro rata basis.

***Selling, general and administrative expenses***

Selling, general and administrative expenses decreased $2.9 million, or 44%, to $3.7 million for the three months ended September 30, 2024 as compared to the prior year period. The main drivers of the decrease in selling, general and administrative expenses were:

- Total insurance expense decreased approximately $1.0 million in the third quarter of 2024 compared to the prior year period, as a result of a decline in coverage costs related to umbrella, property, and liability policies due to a lower asset base;

- Total payroll and benefits and other employee costs decreased approximately $0.8 million in the third quarter of 2024 compared to the prior year period, as a result of declines in employee expenses related to the corporate overhead cost reduction efforts that occurred in 2023 as well as a decrease in incentive compensation;

- Decrease of approximately $0.8 million due to reductions in professional fees and consulting expenses caused by reductions in discretionary costs and higher regulatory costs in the prior year period associated with permit renewals and environmental matters at the New York Facility;

- Total administrative overhead costs decreased approximately $0.2 million in the third quarter of 2024 compared to the prior year period, primarily related to reduced spending on information technology and business development; and

- Total stock compensation decreased approximately $0.1 million in the third quarter of 2024 compared to the prior year period, as a result of a decline in amortized expense relating to RSUs with a higher grant date fair value, as well as a decline in amortized expense relating to options granted in prior periods.

***Depreciation***

There was no change in depreciation expense for the three months ended September 30, 2024 as compared to the prior year period.

***Gain on digital assets***

We recognized a gain on digital assets of $0.2 million for the three months ended September 30, 2024 as a result of measuring digital assets at fair value due to our adopting ASU 2023-08 on January 1, 2024. There was no gain or loss on digital assets as a result of measuring digital assets at fair value for the three months ended September 30, 2023.

***Loss on sale of assets***

We recognized a loss on the sale of assets of $0.7 million for the three months ended September 30, 2024 as a result of selling long-lived assets. There was no gain or loss on the sale of assets for the three months ended September 30, 2023.

***Operating (loss) income from continuing operations***

We reported an operating loss for the three months ended September 30, 2024 of $4.6 million compared with an operating loss of $10.1 million in the three months ended September 30, 2023. The favorable variance of $5.5 million is primarily related to the decrease in impairment expense of $4.0 million, as well as additional cost savings related to selling, general, and administrative expenses.

Adjusted loss from operations was $3.9 million for the three months ended September 30, 2024 as compared to adjusted loss from operations of $3.9 million in the three months ended September 30, 2023. The adjusted loss from operations was driven by the same factors described above impacting loss from operations. A reconciliation of reported amounts to adjusted amounts can be found in the "Non-GAAP Measures and Reconciliations" section of this MD&A.

***Total other expense, net***

During the three months ended September 30, 2024, Greenidge incurred a decrease of $1.2 million, or 40%, to $1.8 million of other expense due to a reduction in interest expense of $1.2 million. The decrease is a result of the reductions in debt that occurred in the first and fourth quarters of 2023.

***Benefit from income taxes***

Our effective tax rate for the three months ended September 30, 2024 was a 2% benefit which was lower than the statutory rate of 21% because we have a full valuation allowance on deferred tax assets, as well as an adjustment for the New York State income tax receivable upon completion of the 2023 tax return. We recorded and will continue to carry a full valuation allowance against our gross deferred tax assets that will not reverse against deferred tax liabilities within the scheduled reversal period. The 2%, or $0.1 million benefit for the three months ended September 30, 2024 was the result of an adjustment for the New York State income tax receivable upon completion of our 2023 tax return.

Our effective tax rate for the three months ended September 30, 2023 was 0%, which was lower than the statutory rate of 21% due to a full valuation allowance on deferred tax assets.

***Net loss from continuing operations***

As a result of the factors described above, Greenidge incurred a net loss of $6.3 million for the three months ended September 30, 2024 as compared to a net loss of $13.2 million for the three months ended September 30, 2023.

On an adjusted basis, excluding the impact of a gain on sale of assets and debt restructure costs, adjusted net loss during the three months ended September 30, 2024 would have been $5.6 million as compared to $6.9 million in the same period in 2023. Adjusted net loss is a non-GAAP performance measure. A reconciliation of reported amounts to adjusted amounts can be found in the "Non-GAAP Measures and Reconciliations" section of this MD&A.

***Loss from discontinued operations***

We have reported the Support.com business as discontinued operations in the consolidated financial statements. Loss from discontinued operations, net of tax net of tax decreased $1.0 million, or 96%, to $0.0 million for the three months ended September 30, 2024. The decrease is primarily related to the closing of operations.

**Non-GAAP Measures and Reconciliations**

The following non-GAAP measures are intended to supplement investors' understanding of our financial information by providing measures which investors, financial analysts and management use to help evaluate our operating performance. Items which we do not believe to be indicative of ongoing business trends are excluded from these calculations so that investors can better evaluate and analyze historical and future business trends on a consistent basis. Definitions of these non-GAAP measures may not be comparable to similar definitions used by other companies. These results should be considered in addition to, not as a substitute for, results reported in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP").

***EBITDA (loss) from continuing operations and Adjusted EBITDA (loss) from continuing operations***

"EBITDA from continuing operations" is defined as earnings from continuing operations before taxes, interest, and depreciation and amortization. "Adjusted EBITDA from continuing operations" is defined as EBITDA from continuing operations adjusted for stock-based compensation and other special items determined by management, including, but not limited to business expansion costs, gain on sale of assets and debt restructuring costs as they are not indicative of business operations. Adjusted EBITDA is intended as a supplemental measure of our performance that is neither required by, nor presented in accordance with, U.S. GAAP. Management believes that the use of EBITDA and Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, you should be aware that when evaluating EBITDA and Adjusted EBITDA, we may incur future expenses similar to those excluded when calculating these measures. In addition, our presentation of these measures should not be construed as an inference that its future results will be unaffected by unusual or non-recurring items. Our computation of Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate Adjusted EBITDA in the same fashion.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with U.S. GAAP. We compensate for these limitations by relying primarily on our U.S. GAAP results and using EBITDA and Adjusted EBITDA on a supplemental basis. You should review the reconciliation of net loss (income) to EBITDA (loss) and Adjusted EBITDA below and not rely on any single financial measure to evaluate our business. The reported amounts in the table below are from our Unaudited Condensed Consolidated Statements of Operations in our Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

| | Three Months Ended September 30, 2024 | Three Months Ended September 30, 2023 | Variance $ | Variance % |
|---|---|---|---|---|
| **Adjusted operating (loss) income from continuing operations** | | | | |
| Operating loss from continuing operations | $ (4,610) | $ (10,121) | $ 5,511 | (54)% |
| Impairment of long-lived assets | — | 4,000 | (4,000) | (100)% |
| Loss on sale of assets | 693 | — | 693 | N/A |
| Remeasurement of environmental liability | — | 1,600 | $ (1,600) | (100)% |
| Restructuring costs | — | 669 | (669) | (100)% |
| Adjusted operating loss from continuing operations | $ (3,917) | $ (3,852) | $ (65) | 2 % |
| *Adjusted operating margin* | *(31.7 %)* | *(18.4 %)* | | |
| | | | | |
| **Adjusted net loss from continuing operations** | | | | |
| Net loss from continuing operations | $ (6,324) | $ (13,161) | $ 6,837 | (52)% |
| Impairment of long-lived assets, after tax | — | 4,000 | (4,000) | (100)% |
| Loss on sale of assets, after tax | 693 | — | 693 | N/A |
| Remeasurement of environmental liability, after tax | — | 1,600 | (1,600) | (100)% |
| Restructuring costs, after tax | — | 669 | (669) | (100)% |
| Adjusted net loss from continuing operations | $ (5,631) | $ (6,892) | $ 1,261 | (18)% |
| | | | | |
| **EBITDA (loss) and Adjusted EBITDA (loss) from continuing operations** | | | | |
| Net loss from continuing operations | $ (6,324) | $ (13,161) | $ 6,837 | (52)% |
| Benefit from income taxes | (118) | — | (118) | N/A |
| Interest expense, net | 1,832 | 3,040 | (1,208) | (40)% |
| Depreciation | 3,390 | 3,383 | 7 | — % |
| EBITDA (loss) from continuing operations | (1,220) | (6,738) | 5,518 | (82)% |
| Stock-based compensation | 417 | 482 | (65) | (13)% |
| Loss on sale of assets | 693 | — | 693 | N/A |
| Remeasurement of environmental liability | — | 1,600 | (1,600) | (100)% |
| Restructuring costs | — | 669 | (669) | (100)% |
| Impairment of long-lived assets | — | 4,000 | (4,000) | (100)% |
| Adjusted EBITDA (loss) from continuing operations | $ (110) | $ 13 | $ (123) | (946)% |

Revenue per MWh for datacenter hosting, cryptocurrency mining and power and capacity are used by management to consider the extent to which we may generate electricity to either produce cryptocurrency or sell power to the New York wholesale power market. Cost of revenue (excluding depreciation) per MWh represents a measure of the cost of natural gas, emissions credits, payroll and benefits and other direct production costs associated with the MWhs produced to generate the respective revenue category for each MWh utilized. Depreciation expense is excluded from the cost of revenue (exclusive of depreciation) per MWh metric; therefore, not all cost of revenues for datacenter hosting, cryptocurrency mining and power and capacity are fully reflected. To the extent any other cryptocurrency datacenters are public or may go public, the cost of revenue (exclusive of depreciation) per MWh metric may not be comparable because some competitors may include depreciation in their cost of revenue figures.

**Results from Continuing Operations - Nine Months Ended September 30, 2024**

The following table (in thousands) sets forth key components of our results from continuing operations and should be read in conjunction with our condensed consolidated financial statements and related notes. All comparisons below refer to the nine months ended September 30, 2024 versus the nine months ended September 30, 2023, unless otherwise specified.

| | Nine Months Ended September 30, | | Variance | |
|---|---|---|---|---|
| | 2024 | 2023 | $ | % |
| REVENUE: | | | | |
| Datacenter hosting | $ 22,247 | $ 28,740 | $ (6,493) | (23)% |
| Cryptocurrency mining | 15,041 | 17,033 | (1,992) | (12)% |
| Power and capacity | 7,118 | 4,973 | 2,145 | 43 % |
| EPCM consulting services | 335 | — | 335 | N/A |
| Total revenue | 44,741 | 50,746 | (6,005) | (12)% |
| OPERATING COSTS AND EXPENSES: | | | | |
| Cost of revenue (exclusive of depreciation) | 30,938 | 36,231 | (5,293) | (15)% |
| Depreciation | 9,909 | 10,368 | (459) | (4)% |
| Selling, general and administrative | 13,394 | 22,724 | (9,330) | (41)% |
| Impairment of long-lived assets | 169 | 4,000 | (3,831) | (96)% |
| Gain on digital assets | (204) | — | (204) | N/A |
| Loss (gain) on sale of assets | 661 | (1,752) | 2,413 | (138)% |
| Remeasurement of environmental liability | — | 1,600 | (1,600) | (100)% |
| Total operating costs and expenses | 54,867 | 73,171 | (18,304) | (25)% |
| Operating loss | (10,126) | (22,425) | 12,299 | (55)% |
| OTHER INCOME (EXPENSE), NET: | | | | |
| Interest expense, net | (5,439) | (9,725) | 4,286 | (44)% |
| Gain on sale of digital assets | — | 398 | (398) | (100)% |
| Change in fair value of warrant asset | (420) | — | (420) | N/A |
| Other expense, net | — | (4) | 4 | (100)% |
| Total other expense, net | (5,859) | (9,331) | 3,472 | (37)% |
| Loss from continuing operations before income taxes | (15,985) | (31,756) | 15,771 | (50)% |
| Benefit from income taxes | (118) | — | (118) | N/A |
| Net loss from continuing operations | $ (15,867) | $ (31,756) | $ 15,889 | (50)% |
| | | | | |
| ***Adjusted Amounts (a)*** | | | | |
| Adjusted operating loss from continuing operations | $ (9,296) | $ (15,746) | $ 6,450 | (41)% |
| Adjusted operating margin from continuing operations | (20.8)% | (31.0)% | | |
| Adjusted net loss from continuing operations | $ (14,617) | $ (25,077) | $ 10,460 | (42)% |
| ***Other Financial Data (a)*** | | | | |
| EBITDA (loss) from continuing operations | $ (637) | $ (11,663) | $ 11,026 | (95)% |
| *as a percent of revenues* | *(1.4)%* | *(23.0)%* | | |
| Adjusted EBITDA (loss) from continuing operations | $ 2,411 | $ (3,453) | $ 5,864 | (170)% |
| *as a percent of revenues* | *5.4 %* | *(6.8)%* | | |

(a) Adjusted Amounts and Other Financial Data are non-GAAP performance measures. A reconciliation of reported amounts to adjusted amounts can be found in the "Non-GAAP Measures and Reconciliations" section of this MD&A.

**Key Metrics**

The following table provides a summary of key metrics related to the nine months ended September 30, 2024 and 2023.

| $ in thousands, except $ per MWh and average bitcoin price | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 | Variance $ | Variance % |
|---|---|---|---|---|
| **Revenue** | | | | |
| Datacenter hosting | $ 22,247 | $ 28,740 | $ (6,493) | (23)% |
| Cryptocurrency mining | 15,041 | 17,033 | (1,992) | (12)% |
| Power and capacity | 7,118 | 4,973 | 2,145 | 43 % |
| EPCM consulting services | 335 | — | 335 | N/A |
| Total revenue | $ 44,741 | $ 50,746 | $ (6,005) | (12)% |
| **Components of revenue as % of total** | | | | |
| Datacenter hosting | 50 % | 57 % | | |
| Cryptocurrency mining | 33 % | 33 % | | |
| Power and capacity | 16 % | 10 % | | |
| EPCM consulting services | 1 % | — % | | |
| Total revenue | 100 % | 100 % | | |
| **MWh** | | | | |
| Datacenter hosting | 326,968 | 413,983 | (87,015) | (21)% |
| Cryptocurrency mining | 139,767 | 161,285 | (21,518) | (13)% |
| Power and capacity | 117,321 | 99,723 | 17,598 | 18 % |
| **Revenue per MWh** | | | | |
| Datacenter hosting | $ 68 | $ 69 | $ (1) | (1)% |
| Cryptocurrency mining | $ 108 | $ 106 | $ 2 | 2 % |
| Power and capacity | $ 61 | $ 50 | $ 11 | 22 % |
| **Cost of revenue (exclusive of depreciation)** | | | | |
| Datacenter hosting | $ 16,644 | $ 20,830 | $ (4,186) | (20)% |
| Cryptocurrency mining | $ 9,504 | $ 10,639 | $ (1,135) | (11)% |
| Power and capacity | $ 4,607 | $ 4,762 | $ (155) | (3)% |
| EPCM consulting services | $ 183 | $ — | $ 183 | N/A |
| **Cost of revenue per MWh (exclusive of depreciation)** | | | | |
| Datacenter hosting | $ 51 | $ 50 | $ 1 | 2 % |
| Cryptocurrency mining | $ 68 | $ 66 | $ 2 | 3 % |
| Power and capacity | $ 39 | $ 48 | $ (9) | (19)% |
| **Cryptocurrency Mining Metrics** | | | | |
| **Bitcoins produced:** | | | | |
| Datacenter hosting | 532 | 1,541 | (1,009) | (65)% |
| Cryptocurrency mining | 261 | 684 | (423) | (62)% |
| Total bitcoins produced | 793 | 2,225 | (1,432) | (64)% |
| | | | | |
| Average bitcoin price | $ 60,028 | $ 26,350 | $ 33,678 | 128 % |
| Average active hash rate (EH/s) Company-owned miners | 790,142 | 882,130 | (91,988) | (10)% |
| Average active hash rate (EH/s) Hosted miners | 1,637,777 | 2,113,051 | (475,274) | (22)% |
| Average difficulty | 82.6 T | 47.9 T | 34.7 T | 72 % |

***Revenue***

On January 30, 2023, upon entering into the NYDIG Hosting Agreement, we transitioned the majority of the capacity of our owned datacenter facilities to datacenter hosting operations. In November 2023, we sold the South Carolina Facility, which was part of our datacenter hosting operations. We entered into hosting arrangements at third party sites for the majority of our remaining owned miners in the first and second quarters of 2023. In the second quarter of 2023, the hosting agreements to operate miners at third party sites were terminated. As a result, we deployed miners operated at the host's site to our own self-mining sites. At September 30, 2024, Greenidge datacenter operations consisted of approximately 29,200 miners with approximately 3.1 EH/s of combined capacity for both datacenter hosting and cryptocurrency mining, of which 18,200 miners, or 1.8 EH/s, is associated with datacenter hosting and 11,000 miners, or 1.3 EH/s, is associated with Greenidge's cryptocurrency mining.

*Cryptocurrency mining revenue*

For our cryptocurrency mining revenue, we generate revenue in the form of bitcoin by earning bitcoin as rewards and transaction fees for supporting the global bitcoin network with ASICs owned or leased by us. Our cryptocurrency mining revenue decreased $2.0 million, or 12%, to $15.0 million. We estimate that approximately 66% of the decrease was due to the increase in the global bitcoin mining difficulty factor and the bitcoin halving that occurred in April 2024, which was partially offset by 54% due to the increase in the average price of bitcoin. Bitcoin mining difficulty was 72% higher compared to the prior year due to increases in the difficulty index associated with the complexity of the algorithmic solution required to create a block and receive a bitcoin award, the average bitcoin price was 128% higher and our average hash rate decreased 10%. The decline in average hashrate is attributable to the Company's focus on maximizing profitability by prioritizing operations of its most efficient miners, curtailing operations of less efficient miners during periods of decreased profitability, and the ongoing efforts to redeploy miners previously hosted at third party locations.

The miners associated with Greenidge's cryptocurrency mining were comprised as follows:

| Vendor and Model | Number of Miners |
|---|---|
| Bitmain S19 | 4,000 |
| Bitmain S19 Pro | 2,000 |
| Bitmain S19j Pro | 900 |
| Bitmain S19 XP | 3,600 |
| Bitmain S19 Hydro | 200 |
| Bitmain S21 Pro | 300 |
| | 11,000 |

As of September 30, 2024, our fleet of miners ranged in age from 0.1 to 3.1 years and had an average age of approximately 2.3 years. We do not have scheduled downtime for our miners. When we have unscheduled downtime, we may from time to time replace a miner with a substitute miner in order to minimize overall fleet downtime. As of September 30, 2024, our fleet of miners ranged in efficiency from approximately 15.0 to 34.0 J/TH and had an average efficiency of 27.1 J/TH.

The table below presents the average cost of mining each bitcoin for the nine months ended September 30, 2024:

| Cost of Mining - Analysis of Costs to Mine One Bitcoin | Nine Months Ended September 30, 2024 |
|---|---|
| Cost to mine one bitcoin[1] | $ 36,414 |
| Value of each bitcoin mined[2] | $ 57,628 |
| Cost to mine one bitcoin as % of value of bitcoin mined | 63.2 % |

(1) Computed as cost of revenue of cryptocurrency mining divided by number of bitcoins produced from cryptocurrency mining.

(2) Computed as cryptocurrency mining revenue divided by number of bitcoins produced from cryptocurrency mining.

*Datacenter hosting revenue*

On January 30, 2023, we entered into the NYDIG Hosting Agreement to provide datacenter hosting services. Under the NYDIG Hosting Agreement, we generate revenue from a reimbursement fee that covers the cost of power and direct costs associated with management of the mining facilities, a hosting fee and a gross profit-sharing arrangement. The arrangement covers substantially all of our current mining capacity at the New York Facility and the South Carolina Facility during the 2023 comparative period, prior to the sale of the facility on November 15, 2023. We generated revenue of $22.2 million for the first nine months of 2024 and $28.7 million for the first nine months of 2023. Approximately $10.0 million of this decrease is a result of the sale of the South Carolina in November 2023, which was partially offset by an increase in the price of bitcoin during the nine months ended September 30, 2024 as compared to the prior year. In addition, we managed approximately 1.7 EH/s of average active hash rate in our hosting services, of which produced approximately 532 bitcoins.

*Power and capacity revenue*

Power and capacity revenue at our New York Facility is earned when we sell capacity and energy and ancillary services to the wholesale power grid managed by the NYISO. Through these sales, we earn revenue in three streams, including: (1) power revenue received based on the hourly price of power, (2) capacity revenue for committing to sell power to the NYISO when dispatched and (3) other ancillary service revenue received as compensation for the provision of operating reserves.

Our power and capacity revenue increased $2.1 million, or 43%, to $7.1 million during the nine months ended September 30, 2024. We estimate higher average power and capacity prices and higher power and capacity sales volume caused revenue increases of approximately 25% and 18%, respectively, as compared to the prior period.

***<u>Cost of revenue (exclusive of depreciation)</u>***

| | Nine Months Ended September 30, | | Variance | |
|---|---|---|---|---|
| ***$ in thousands*** | **2024** | **2023** | **$** | **%** |
| Datacenter hosting | $ 16,644 | $ 20,830 | $ (4,186) | (20)% |
| Cryptocurrency mining | 9,504 | 10,639 | (1,135) | (11)% |
| Power and capacity | 4,607 | 4,762 | (155) | (3)% |
| EPCM consulting services | 183 | — | 183 | N/A |
| Total cost of revenue (exclusive of depreciation) | $ 30,938 | $ 36,231 | $ (5,293) | (15)% |
| *As a percentage of total revenue* | *69.1 %* | *71.4 %* | | |

Total cost of revenue, exclusive of depreciation, decreased $5.3 million, or 15%, to $30.9 million during the nine months ended September 30, 2024 as compared to the prior year period. We estimate the decrease is comprised of approximately 7% due to higher natural gas costs for Datacenter Hosting, as well as revenue share expense. This was partially offset by 18% due to the decrease in electricity utilization within production, mainly as a result of the sale of the facility in South Carolina, along with 4% due to the reduction in monthly hosting fees paid to third parties for hosting Company-owned miners.

The New York Facility allocates its cost of revenue between datacenter hosting, cryptocurrency mining and power and capacity based on their respective MWh consumption on a pro rata basis.

***<u>Selling, general and administrative expenses</u>***

Selling, general and administrative expenses decreased $9.3 million, or 41%, to $13.4 million for the nine months ended September 30, 2024 as compared to the prior year period. The main drivers of the decrease in selling, general and administrative expenses were:

- Total payroll and benefits and other employee costs decreased approximately $4.0 million in the first nine months of 2024 compared to the prior year period, as a result of declines in employee expenses related to the corporate overhead cost reduction efforts that occurred in 2023 as well as a decrease in incentive compensation;

- Decrease of approximately $2.9 million due to reductions in professional fees and consulting expenses caused by reductions in discretionary costs and higher regulatory costs in the prior year period associated with permit renewals and environmental matters at the New York Facility;

- Total insurance expense decreased approximately $1.7 million in the first nine months of 2024 compared to the prior year period, as a result of declines in coverage costs related to umbrella, property, and liability policies due to a lower asset base; and

- Total restructuring costs decreased approximately $0.7 million in the first nine months of 2024 compared to the prior year period, mainly as a result of non-recurring restructuring costs incurred in the prior year

***Depreciation***

Depreciation expense decreased $0.5 million, or 4%, to $9.9 million for the nine months ended September 30, 2024 as compared to the prior year period, due to a lower asset base resulting from the sale of the South Carolina Facility in 2023.

***Gain on digital assets***

We recognized a gain on digital assets of $0.2 million for the nine months ended September 30, 2024 as a result of measuring digital assets at fair value due to us adopting ASU 2023-08 on January 1, 2024. There was no gain or loss on digital assets as a result of measuring digital assets at fair value for the nine months ended September 30, 2023.

***Loss (gain) on sale of assets***

We recognized a loss on the sale of assets of $0.7 million for the nine months ended September 30, 2024 which was primarily as a result of selling long-lived assets. During the nine months ended September 30, 2023, we recognized a gain on the sale of assets of $1.8 million for the sale of certain credits and coupons, including the $1.2 million of coupons transferred to NYDIG as part of the debt restructuring.

***Operating (loss) income from continuing operations***

We reported an operating loss for the nine months ended September 30, 2024 of $10.1 million compared with an operating loss of $22.4 million in the nine months ended September 30, 2023. The favorable variance of $12.3 million is primarily related to significant cost savings in selling, general, and administrative expenses, as well as a $3.8 million decrease in impairment of long-lived assets and a $1.6 million decrease in remeasurement on environmental liability.

Adjusted loss from operations was $9.3 million for the nine months ended September 30, 2024 as compared to adjusted loss from operations of $15.7 million in the nine months ended September 30, 2023. The adjusted loss from operations was driven by the same factors described above impacting loss from operations. A reconciliation of reported amounts to adjusted amounts can be found in the "Non-GAAP Measures and Reconciliations" section of this MD&A.

***Total other expense, net***

During the nine months ended September 30, 2024, we incurred a decrease of $3.5 million, or 37%, to $5.9 million of other expense, mainly due to a reduction in interest expense of $4.3 million and partially offset by a change in fair value of warrant asset of $0.4 million and decrease of $0.4 million in gain on sale of digital assets. The decrease in interest expense is a result of the reductions in debt that occurred in the first and fourth quarters of 2023.

***Benefit from income taxes***

Our effective tax rate for the nine months ended September 30, 2024 was a 1% benefit which was lower than the statutory rate of 21% because we have a full valuation allowance on deferred tax assets, as well as an adjustment for the New York State income tax receivable upon completion of the 2023 tax return. We recorded and will continue to carry a full valuation allowance against our gross deferred tax assets that will not reverse against deferred tax liabilities within the scheduled reversal period. The 1%, or $0.1 million benefit for the nine months ended September 30, 2024 was the result of an adjustment for the New York State income tax receivable upon completion of our 2023 tax return.

Our effective tax rate for the nine months ended September 30, 2023 was 0%, which was lower than the statutory rate of 21% primarily due to state income taxes and tax benefits associated with stock-based compensation.

***Net loss from continuing operations***

As a result of the factors described above, Greenidge incurred a net loss of $15.9 million for the nine months ended September 30, 2024 as compared to a net loss of $31.8 million for the nine months ended September 30, 2023.

On an adjusted basis, excluding the impact of a gain on sale of assets and debt restructure costs, adjusted net loss during the nine months ended September 30, 2024 would have been $14.6 million as compared to $25.1 million in the same period in 2023. Adjusted net loss is a non-GAAP performance measure. A reconciliation of reported amounts to adjusted amounts can be found in the "Non-GAAP Measures and Reconciliations" section of this MD&A.

***Loss from discontinued operations***

We have reported the Support.com business as discontinued operations in the consolidated financial statements. Loss from discontinued operations, net of tax decreased $0.7 million, or 98%, to $0.01 million for the nine months ended September 30, 2024. The decrease is primarily related to the closing of operations.

**Non-GAAP Measures and Reconciliations**

| | Nine Months Ended September 30, | | Variance | |
|---|---|---|---|---|
| | 2024 | 2023 | $ | % |
| **Adjusted operating (loss) income from continuing operations** | | | | |
| Operating loss from continuing operations | $ (10,126) | $ (22,425) | $ 12,299 | (55)% |
| Impairment of long-lived assets | 169 | 4,000 | (3,831) | (96)% |
| Loss (gain) on sale of assets | 661 | (1,752) | 2,413 | (138)% |
| Remeasurement of environmental liability | — | 1,600 | (1,600) | (100)% |
| Restructuring costs | — | 2,831 | (2,831) | (100)% |
| Adjusted operating loss from continuing operations | $ (9,296) | $ (15,746) | $ 6,450 | (41)% |
| *Adjusted operating margin* | *(20.8 %)* | *(31.0 %)* | | |
| | | | | |
| **Adjusted net loss from continuing operations** | | | | |
| Net loss from continuing operations | $ (15,867) | $ (31,756) | $ 15,889 | (50)% |
| Impairment of long-lived assets, after tax | 169 | 4,000 | (3,831) | (96)% |
| Loss (gain) on sale of assets | 661 | (1,752) | 2,413 | (138)% |
| Remeasurement of environmental liability, after tax | — | 1,600 | (1,600) | (100)% |
| Change in fair value of warrant asset, after tax | 420 | — | 420 | N/A |
| Restructuring costs, after tax | — | 2,831 | (2,831) | (100)% |
| Adjusted net loss from continuing operations | $ (14,617) | $ (25,077) | $ 10,460 | (42)% |
| | | | | |
| **EBITDA (loss) and Adjusted EBITDA (loss) from continuing operations** | | | | |
| Net loss from continuing operations | $ (15,867) | $ (31,756) | $ 15,889 | (50)% |
| Benefit from income taxes | (118) | — | (118) | N/A |
| Interest expense, net | 5,439 | 9,725 | (4,286) | (44)% |
| Depreciation | 9,909 | 10,368 | (459) | (4)% |
| EBITDA (loss) from continuing operations | (637) | (11,663) | 11,026 | (95)% |
| Stock-based compensation | 1,798 | 1,531 | 267 | 17 % |
| Loss (gain) on sale of assets | 661 | (1,752) | 2,413 | (138)% |
| Remeasurement of environmental liability | — | 1,600 | (1,600) | (100)% |
| Change in fair value of warrant asset, after tax | 420 | — | 420 | N/A |
| Restructuring costs | — | 2,831 | (2,831) | (100)% |
| Impairment of long-lived assets | 169 | 4,000 | (3,831) | (96)% |
| Adjusted EBITDA (loss) from continuing operations | $ 2,411 | $ (3,453) | $ 5,864 | (170)% |

Revenue per MWh for datacenter hosting, cryptocurrency mining and power and capacity are used by management to consider the extent to which we may generate electricity to either produce cryptocurrency or sell power to the New York wholesale power market. Cost of revenue (excluding depreciation) per MWh represents a measure of the cost of natural gas, emissions credits, payroll and benefits and other direct production costs associated with the MWhs produced to generate the respective revenue category for each MWh utilized. Depreciation expense is excluded from the cost of revenue (exclusive of depreciation) per MWh metric; therefore, not all cost of revenues for datacenter hosting, cryptocurrency mining and power and capacity are fully reflected. To the extent any other cryptocurrency datacenters are public or may go public, the cost of revenue (exclusive of depreciation) per MWh metric may not be comparable because some competitors may include depreciation in their cost of revenue figures.

**Liquidity and Capital Resources**

On September 30, 2024, we had cash and cash equivalents of $7.6 million. To date, we have primarily relied on debt and equity financing to fund our operations, including meeting ongoing working capital needs. Our management took certain actions during 2023 and during the first nine months of 2024 to improve our liquidity.

As discussed in Item 1, "Business—Corporate History and Structure" of our Annual Report on Form 10-K filed on April 10, 2023, we entered into a debt restructuring agreement with our primary lender, NYDIG. We restructured our debt by transferring ownership of miners, previously secured by the MEFAs, under the Purchase Agreement along with the rights to credits and coupons to NYDIG and reduced our debt and accrued interest balance with NYDIG from $75.8 million to $17.3 million.

We also entered into the NYDIG Hosting Agreement with NYDIG affiliates. The terms of the NYDIG Hosting Agreement require NYDIG affiliates to pay a hosting fee that covers the cost of power and direct costs associated with management of the mining facilities as well as a gross profit-sharing arrangement. This allows us to participate in profit upside, but reduces our downside risk of bitcoin price deterioration and cost increases related to natural gas.

In addition to revenue generated from hosting arrangements, we continue to operate Company-owned miners at our own facilities, including migrating miners from third-party hosting providers to our recent expansion sites in North Dakota and Mississippi. On May 31, 2024, the only order entered into between Greenidge and Core pursuant to the Core Hosting Agreement terminated pursuant to its terms and all Greenidge-owned miners previously hosted by Core were redeployed at Greenidge-owned sites. We expect the migration of miners to Greenidge-owned sites will increase the profitability of Company-owned miners.

We continue to own approximately 153 acres of land in South Carolina, which has been classified as held for sale. We anticipate the sale of the land to generate proceeds that will improve our liquidity within the next twelve months.

On December 11, 2023, we entered into an Equity Exchange Agreement (the “Equity Exchange Agreement”) with Infinite Reality, Inc. (“Infinite Reality”), pursuant to which, among other things, (i) we issued to Infinite Reality a one-year warrant to purchase 180,000 shares of our Class A common stock at an exercise price of $7.00 per share, the proceeds of which, upon exercise, are required to be used for the development of a proposed new data center contemplated by a Master Services Agreement entered into between us and Infinite Reality on December 11, 2023, and (ii) we issued 180,000 shares of our Class A common stock to Infinite Reality, which shares for purposes of the Equity Exchange Agreement, were valued at $8.33 per share, or an aggregate value of approximately $1.5 million. In addition, Infinite Realty issued to Greenidge a one-year common stock purchase warrant, pursuant to which we have the right to purchase up to 235,754 shares of common stock of Infinite Reality, par value $0.001 per share (“Infinite Reality Common Stock”), at an exercise price of $5.35 per share, and Infinite Reality issued to us 280,374 shares of Infinite Reality Common Stock.

We continued to improve our liquidity position in the first nine months of 2024. On February 12, 2024, we entered into a securities purchase agreement (the “Armistice SPA”) with Armistice Capital Master Fund Ltd. (“Armistice”). Pursuant to the Armistice SPA, Armistice purchased (i) 450,300 shares of Class A common stock (the “SPA Shares”), and (ii) a pre-funded warrant (the “Pre-Funded Warrant”) to purchase 810,205 shares of Class A common stock (the “Pre-Funded Warrant Shares”). The per share purchase price of the SPA Shares and the Pre-Funded Warrant Shares was $4.76, resulting in aggregate gross proceeds of $6.0 million, and after giving effect to the exercise price of $0.0001 per Pre-Funded Warrant Share, we received net proceeds of $6.0 million. In addition, we issued to Armistice a five-year warrant to purchase up to 1,260,505 shares of Class A common stock, exercisable commencing on August 14, 2024 at an exercise price of $5.25 per share.

Despite these improvements to our financial condition, our management expects that we will require additional capital in order to fund our expenses and to support our working capital needs and remaining debt servicing requirements. Management continues to assess different options to improve our liquidity which include, but are not limited to:

- a sale of our remaining real estate in South Carolina and/or sale of the remaining miner infrastructure equipment inventory, which was not used in previous expansions.
- issuances of equity, including but not limited to issuances under the Common Stock Purchase Agreement and/or the ATM Agreement.
- retirement or purchase of our outstanding debt through cash purchases and/or exchanges for equity or debt, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material and to the extent equity is issued, dilutive.

The Company believes it will be successful in certain efforts to improve liquidity that will allow it to extend cash resources for at least the next twelve months, contingent on factors outlined below which continue to present significant uncertainty regarding the Company's financial condition.

Our operating cash flows generated by mining, hosting, and power are affected by several factors including the price of bitcoin, bitcoin mining difficulty, and the costs of electricity, natural gas, and emissions credits. Increases in the price of bitcoin benefit us by increasing the amount of revenue earned for each bitcoin mined. Increases in the difficulty to mine a bitcoin adversely affect us by decreasing the number of bitcoin we can mine. Increases in the costs of electricity, natural gas, and emissions credits adversely affect us by increasing the cost to mine bitcoin. In April 2024, a bitcoin halving occurred, which decreased the reward for successfully placing a block from 6.25 bitcoin to 3.125 bitcoin. There are no assurances that favorable changes in the price of bitcoin will occur as a result of the bitcoin halving to offset the decrease in mining revenues as a result therefrom. Therefore, the most recent bitcoin halving has had and may continue to have a material adverse effect on the profitability of our future self-mining and hosting operations. While we continue to work to implement options to improve liquidity, we can provide no assurance that these efforts will be successful and our liquidity could be negatively impacted by factors outside of our control, in particular, significant decreases in the price of bitcoin or increases in the difficulty of mining bitcoin, our inability to procure and comply with the permits and licenses required to operate our facilities, including the Title V Air Permit for the New York Facility and the possibility of a temporary or permanent loss of such permit following the expiration of the November 14 Stay, or the cost to us of such procurement or compliance, regulatory changes concerning cryptocurrency, increases in energy costs or other macroeconomic conditions and other matters identified in Item 1A, "Risk Factors" in our Annual Report for the year ended December 31, 2023 and in this Quarterly Report on Form 10-Q.

Given this uncertainty regarding our financial condition over the next 12 months from the date these financial statements were issued, we have concluded that there is substantial doubt about our ability to continue as a going concern for a reasonable period of time. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

***Contractual Obligations and Commitments***

The following table summarizes our contractual obligations and other commitments at September 30, 2024, and the years in which these obligations are due:

| $ in thousands | Total | 2024 | 2025-2026 | 2027-2028 | Thereafter |
|---|---|---|---|---|---|
| Debt payments | $ 86,008 | $ 1,534 | $ 84,474 | $ — | $ — |
| Leases | 193 | 20 | 75 | 78 | 20 |
| Environmental obligations | 30,229 | 100 | 11,120 | 11,006 | 8,003 |
| Natural gas transportation | 11,376 | 474 | 3,792 | 3,792 | 3,318 |
| Total | $ 127,806 | $ 2,128 | $ 99,461 | $ 14,876 | $ 11,341 |

The debt payments included in the table above include the principal and interest amounts due. The lease payments include fixed monthly rental payments and exclude any variable payments. Environmental obligations are based on estimates subject to various assumptions including, but not limited to, closure and post-closure cost estimates, timing of expenditures, escalation factors, and requirements of granted permits. Additional adjustments to the environment liability may occur periodically due to potential changes in remediation requirements regarding coal combustion residuals which may lead to material changes in estimates and assumptions.

***Summary of Cash Flow***

The following table provides information about our net cash flow for the nine months ended September 30, 2024 and 2023.

| | Nine Months Ended September 30, | |
|---|---|---|
| **$ in thousands** | **2024** | **2023** |
| Net cash used for operating activities from continuing operations | $ (8,162) | $ (910) |
| Net cash used for investing activities from continuing operations | (4,432) | (10,352) |
| Net cash provided by financing activities from continuing operations | 7,038 | 4,666 |
| Increase (decrease) in cash and cash equivalents from discontinued operations | (186) | 2,066 |
| Net change in cash, cash equivalents and restricted cash | (5,742) | (4,530) |
| Cash, cash equivalents and restricted cash at beginning of year | 13,312 | 15,217 |
| Cash, cash equivalents and restricted cash at end of period | $ 7,570 | $ 10,687 |

*Operating Activities*

Net cash used for operating activities was $8.2 million for the nine months ended September 30, 2024, as compared to net cash used of $0.9 million for the nine months ended September 30, 2023. The variance in the operating cash flow during the first nine months of 2024 as compared to 2023 was driven primarily by the purchase of additional Regional Greenhouse Gas Initiative ("RGGI") credits in Q1 2024, which was required to settle the accrued emissions liability for the three-year control period ended December 31, 2023, as well as the advantageous change in net loss.

*Investing Activities*

Net cash used in investing activities was $4.4 million for the nine months ended September 30, 2024, as compared to $10.4 million for the nine months ended September 30, 2023. The decrease is primarily related to $4.0 million of lower purchases of and deposits for property and equipment as compared to the prior year due to the lower miner purchases and increase in proceeds from the sale of long-lived assets of $1.3 million.

*Financing Activities*

Net cash provided by financing activities was $7.0 million for the nine months ended September 30, 2024, as compared to $4.7 million for the nine months ended September 30, 2023. The increase is primarily related to the increase of $6.0 million of proceeds from the issuance of common stock and pre-funded warrant, along with the $6.8 million elimination of principal payments on debt due to its restructuring. These increases were partially offset by a $10.4 million reduction in sales of Class A common stock under the Company's ATM Agreement.

**Financing Arrangements**

See Note 5, "*Debt*," and Note 9, "*Stockholder's Deficit*" in the Notes to our Unaudited Condensed Consolidated Financial Statements for details regarding our financing arrangements for further details regarding our financing arrangements.

**Critical Accounting Policies and Estimates**

The most significant accounting estimates involve a high degree of judgment or complexity. Management believes the estimates and judgments most critical to the preparation of our condensed consolidated financial statements and to the understanding of our reported financial results include those made in connection with environmental obligations. Management evaluates its policies and assumptions on an ongoing basis.

Our significant accounting policies related to these accounts in the preparation of our condensed consolidated financial statements are described under the heading "Management Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2023. See Note 2. Summary of Significant Accounting Policies in Part I, Item 1 herein, which describes changes to the critical accounting policies and methods used in the preparation of our condensed consolidated financial statements.

**Off-Balance Sheet Arrangements**

None.

**Emerging Growth Company Status**

We qualify as an "emerging growth company" under the Jumpstart our Business Startups Act ("JOBS Act"). As a result, we are permitted to, and intend to, rely on exemptions from certain disclosure requirements. For so long as we are an emerging growth company, we will not be required to:

- have an auditor report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act;
- comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- submit certain executive compensation matters to shareholder advisory votes, such as "say-on-pay," "say-on-frequency" and pay ratio; and
- disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO's compensation to median employee compensation.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards.

In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the benefits of this extended transition period. Its financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards.

We will remain an "emerging growth company" for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our total annual gross revenues exceed $1.235 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our Class A common stock that are held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three year period.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Not required for smaller reporting companies.

**Item 4. Controls and Procedures**

Our management, including our Chief Executive Officer and Chief Financial Officer, have conducted an evaluation of the effectiveness of disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded as of September 30, 2024, that the disclosure controls and procedures are effective in ensuring that all material information required to be filed in this Quarterly Report on Form 10-Q has been recorded, processed, summarized and reported when required and the information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There have not been any changes in our internal control over financial reporting that occurred during the third quarter of 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in such matters may arise and harm our business. We are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results, other than as described below. For information on legal proceedings, refer to Note 10, "*Commitments and Contingencies—Legal Matters,*" in our unaudited condensed consolidated financial statements included elsewhere in this report.

Title V Air Permit Renewal Litigation

As previously disclosed, on August 20, 2024, Greenidge Generation LLC, our wholly owned subsidiary, submitted a motion to the Court by Order to Show Cause seeking a TRO Request permitting the New York Facility to continue operations during the pendency of the Article 78 proceeding, which seeks declaratory and injunctive relief relating to the Department's Denial.

Subsequent to the submission of the TRO Request, on August 23, 2024, we and the Department agreed to a briefing schedule with respect to the TRO Request, with a hearing before the Court which occurred on October 29, 2024. In connection with the agreed-upon briefing schedule, the Department agreed that we do not need to (i) cease operations of any air contamination sources located at the New York Facility, (ii) render such air contamination sources inoperable, or (iii) relinquish the Title V Air Permit until November 1, 2024, which was subsequently extended through November 14, 2024 by stipulation on the record at the October 29, 2024 hearing. We expect that the Court will render a decision on the TRO Request or, alternatively, our Article 78 challenge of the Department's Denial in total, prior to the expiration of the November 14 Stay.

### Item 1A. Risk Factors

*In evaluating our company and our business, you should carefully consider the risks and uncertainties described in Part I, Item 1A, "Risk Factors" in our most recent Annual Report on Form 10-K together with updates to those risk factors or new risk factors contained in this Quarterly Report on Form 10-Q below and any other information in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and the related notes and in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations". The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events or circumstances, may have a material adverse effect on our business, reputation, revenue, financial condition, results of operations and future prospects, in which case the market price of our common stock could decline. Unless otherwise indicated, reference in this section and elsewhere in this Quarterly Report on Form 10-Q to our business being adversely affected, negatively impacted or harmed will include an adverse effect on, or a negative impact or harm to, our business, reputation, financial condition, results of operations, revenue and our future prospects. The material and other risks and uncertainties included in our Annual Report on Form 10-K, summarized above in this Quarterly Report on Form 10-Q and described below are not intended to be exhaustive and are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. This Quarterly Report on Form 10-Q also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described below. Certain statements in the Risk Factors below are forward-looking statements. See the section titled "Cautionary Statement Regarding Forward-Looking Statements".*

Our business is subject to numerous risks and uncertainties, which illuminate challenges that we face in connection with the successful implementation of our strategy and the growth of our business. Our business, prospects, financial condition or operating results could be harmed by any of these risks, as well as other risks not currently known to us or that we currently consider immaterial. There have been no material changes to the risk factors identified in our most recent Annual Report on Form 10-K, other than as set forth below.

***The bitcoin reward for successfully uncovering a block most recently halved in April 2024 and will halve again several times in the future, and bitcoin value may not adjust to compensate us for the reduction in the rewards we receive from our bitcoin mining efforts.***

Halving is a process designed to control the overall supply and reduce the risk of inflation in cryptocurrencies using a proof of work consensus algorithm. At a predetermined block, the bitcoin mining reward is cut in half, hence the term "halving." For bitcoin, the reward was initially set at 50 bitcoin currency rewards per block, which was cut in half to 25 on November 28, 2012 at block 210,000, then to 12.5 on July 9, 2016 at block 420,000, and then again to 6.25 on May 11, 2020 at block 630,000. The most recent halving for bitcoin occurred on April 19, 2024 at block 840,000 and the reward was reduced to 3.125. The next halving is expected to occur in spring 2028. This process will reoccur until the total amount of bitcoin currency rewards issued reaches 21 million, which is expected to occur around the year 2140.

Bitcoin has had a history of price fluctuations around the halving of its rewards, and we can provide no assurance that any price change will be favorable or would compensate for the reduction in bitcoin mining reward in connection with a halving. If the award of bitcoin or a proportionate decrease in bitcoin mining difficulty does not follow these anticipated halving events, the revenue we earn from our cryptocurrency datacenter operations would see a corresponding decrease, and we may not have an adequate incentive to continue bitcoin mining.

***We have material environmental liabilities, and costs of compliance with existing and new environmental laws could have a material adverse effect on us.***

We and our affiliates are subject to extensive environmental regulation by governmental authorities, including the United States Environmental Protection Agency (the "EPA"), and state environmental agencies such as the NYSDEC and/or attorneys general, and have material environmental liabilities, including a coal combustion ("CCR") residual liability of $17.3 million as of December 31, 2023 associated with the closure of a coal ash point located on the New York Facility property and an environmental liability of $12.9 million as of December 31, 2023 associated with the Lockwood Hills Landfill. See "*Business—Governmental Regulation—Environmental Liability*" and Note 10, "*Commitments and Contingencies—Environmental Liabilities*", in the Notes to Consolidated Financial Statements. We may incur significant additional costs beyond those currently contemplated to comply with these regulatory requirements. If we fail to comply with these and future regulatory requirements, we could be forced to reduce or discontinue operations or become subject to administrative, civil, or criminal liabilities and fines.

In 2015, EPA finalized federal regulations (the “CCR Rule”) that establish technical requirements for the disposal of CCR. The EPA recently published revisions to the CCR Rule, effective November 8, 2024 (the “revised CCR regulations”). The revised CCR regulations impose certain compliance and other obligations on certain previously unregulated CCR sites. The revised CCR regulations require, among other things, electric utilities and independent power producers to investigate and identify previously unregulated CCR sites and demonstrate that the sites were closed in accordance with the closure performance standards in the CCR Rule. The required investigation is conducted in phases, with the Phase 1 report due on February 9, 2026. Any required closure obligation would commence on May 8, 2029, unless exceptions apply that would defer the closure obligation to a permitting process. In accordance with the revised CCR regulations, phased evaluations of the Lockwood Hills and Greenidge Generation facilities will be conducted to determine if any previously unregulated CCR sites must be addressed under the new regulation. We make no assurances as to the status of any CCR sites at either facility that could be subject to regulation under the revised CCR regulations.

Additionally, the EPA has recently finalized or proposed several regulatory actions establishing new requirements for control of certain air emissions from certain sources, including electricity generation facilities. In the future, the EPA may also propose and finalize additional regulatory actions that may adversely affect our existing generation facilities or our ability to cost-effectively develop new generation facilities. We can provide no assurance that the currently installed emissions control equipment at the natural gas-fueled generation facilities owned and operated by us will satisfy the requirements under any future EPA or state environmental regulations. Future federal and/or state regulatory actions could require us to install significant additional emissions control equipment, resulting in potentially material costs of compliance for our generation units, including capital expenditures, higher operating and fuel costs, and potential production curtailments. These costs could have a material adverse effect on our results of operations and financial condition.

Existing environmental regulations could be revised or reinterpreted, new laws and regulations could be adopted or become applicable to us or our facilities, and future changes in environmental laws and regulations could occur, including potential regulatory and enforcement developments related to air emissions, all of which could result in significant additional costs beyond those currently contemplated to comply with existing requirements. Any of the foregoing could have a material adverse effect on our results of operations and financial condition.

We may not be able to obtain or maintain all required environmental regulatory approvals. For example, in June 2022, NYSDEC denied our application to renew a Title V Air Permit for the continued operation of our natural gas power generation facility in the Town of Torrey, New York. In July 2022, we appealed the denial and requested an administrative adjudicatory hearing with NYSDEC, however, in May 2024, our appeal to NYSDEC and request for an adjudicatory hearing were ultimately denied and the June 2022 non-renewal of our Title V Air Permit was affirmed by NYSDEC's Regional Director for Region 7.

A hearing was held on October 29, 2024, in the New York State Supreme Court, Yates County, on our previously disclosed TRO Request allowing our New York Facility to continue operations pending a final, non-appealable outcome regarding our Article 78 challenge of NYSDEC's denial of our Title V Air Permit renewal application filed on August 15, 2024. In connection with such hearing, we and NYSDEC entered into a stipulation on the record to extend a stay of NYSDEC's shut down order from November 1, 2024 to November 14, 2024, at such time we expect the Court to render a decision on our TRO Request, or, alternatively, our Article 78 challenge of the denial of the permit renewal application in total. There can be no assurance that our efforts will be successful. If there is a delay in obtaining any required environmental regulatory approvals, if we fail to obtain, maintain, or comply with any such approval, or if an approval is retroactively disallowed or adversely modified, the operation of our generation facilities could be stopped, disrupted, curtailed, or modified or become subject to additional costs. Any such stoppage, disruption, curtailment, modification, or additional costs could have a material adverse effect on our results of operations and financial condition.

In addition, we may be responsible for any on-site liabilities associated with the environmental condition of facilities that we have acquired, leased, developed, or sold, regardless of when the liabilities arose and whether they are now known or unknown. In connection with certain acquisitions and sales of assets, we may obtain, or be required to provide, indemnification against certain environmental liabilities. Another party could, depending on the circumstances, assert an environmental claim against us or fail to meet its indemnification obligation to us. Such event could have an adverse effect on our results of operations and financial condition.

***The properties utilized by us in our cryptocurrency datacenter and hosting may experience damage, including damage not covered by insurance.***

Our current cryptocurrency datacenter operations in the Town of Torrey, New York are, and any future cryptocurrency datacenter operations that we establish or host will be, subject to a variety of risks relating to physical condition and operation, including:

- the presence of construction or repair defects or other structural or building damage;
- any noncompliance with or liabilities under applicable environmental, health or safety regulations or requirements or building permit requirements;
- any damage resulting from natural disasters, such as hurricanes, earthquakes, fires, floods and windstorms;
- damage caused by criminal actors, such as cyberattacks, vandalism, sabotage or terrorist attacks; and
- claims by employees and others for injuries sustained at our properties.

Any of these could render our cryptocurrency datacenter, hosting and/or power generation operations inoperable, temporarily, or permanently, and the potential impact on our business is currently magnified because we operate the majority of our cryptocurrency datacenter operations from a single location. The security and other measures we take to protect against these risks may be insufficient or unavailable. Apart from $15 million in coverage of our bitcoin mining equipment, which is subject to certain deductibles, our power plant property is not insured by any third party insurance provider and our ability to self-insure may not be adequate to cover the losses we suffer as a result of the aforementioned risks, which could materially adversely impact our results of operations and financial condition.

***Our issuance of a significant number of additional shares of Class A common stock in connection with any future financings, acquisitions, investments, commercial arrangements, under our stock incentive plans, or otherwise will dilute all other shareholders and our stock price could decline as a result.***

In July 2024, we entered into the Common Stock Purchase Agreement with B. Riley Principal II pursuant to which we issued an aggregate of 7,300,000 shares of Class A common stock for a 36-month period beginning on the Effective Date. We issued 424,156 shares under the Common Stock Purchase Agreement through the date of filing.

In 2022, we entered into an At Market Issuance Sales Agreement with B. Riley Securities, pursuant to which we issued an aggregate of 4,167,463 shares of Class A common stock through the date of filing.

In December 2023, we entered into the Equity Exchange Agreement with Infinite Reality under which we issued 180,000 shares of Class A common stock, and a 1-year warrant to purchase 180,000 shares of Class A common stock.

In February 2024, we entered into the Armistice SPA, pursuant to which we issued 450,300 shares of Class A common stock as SPA Shares, the Pre-Funded Warrant to purchase 810,205 shares of Class A common stock, which has been exercised in full, and the Armistice Warrant to purchase up to 1,260,505 shares of Class A common stock. We may continue to raise capital by selling shares of Class A common stock, or instruments convertible or exercisable for Class A common stock, through future equity offerings.

In addition, we have issued equity compensation pursuant to our 2021 Equity Plan, as amended and restated, and certain inducement grants, and shares of Class A common stock in exchange for our debt pursuant to certain privately negotiated exchange agreements, as described under Note 16, “Subsequent Events—Exchange Agreements".

We cannot predict what effect, if any, actual or potential future sales of our Class A common stock will have on the market price of our Class A common stock. Sales of substantial amounts of our Class A common stock in the public market, or the perception that such sales could occur, could materially adversely affect the market price of our Class A common stock.

***A significant portion of our total outstanding shares of Class A common stock are or will be registered for resale or will become eligible for resale under Rule 144, and may be sold into the market in the future. This could cause the market price of our Class A common stock to drop significantly, even if our business is doing well.***

Sales of a substantial number of our Class A common stock could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our Class A common stock.

As of the date of this filing, we have registered in a registration statement on Form S-1 up to 7,300,000 shares of Class A common stock issuable pursuant to the Common Stock Purchase Agreement that may be resold from time to time, over a 36-month period beginning on the Effective Date, by B. Riley Principal II, in a registration statement on Form S-8 up to 307,684 shares of Class A common stock issuable upon the vesting and exercise of non-qualified stock option inducement grants, in two registration statements on Form S-8 an aggregate of up to 1,324,532 shares of Class A common stock that may be delivered from time to time pursuant to past and future awards under our 2021 Equity Plan, as amended and restated, and in a registration statement on Form S-3 up to 2,521,010 shares of Class A common stock issuable pursuant to the SPA that may be resold from time to time by Armistice.

As the shares of Class A common stock registered or to be registered pursuant to these registration statements can be freely sold in the public market, the market price of our Class A common stock could decline if the stockholders sell their shares or are perceived by the market as intending to sell them.

In addition, we have issued 180,000 shares of Class A common stock and a 1-year warrant to purchase 180,000 shares of Class A common stock to Infinite Reality as restricted securities in private placements under Section 4(a)(2) of the Securities Act, which shares became eligible for resale under Rule 144 under the Securities Act after a six-month holding period.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

Not applicable.

**Item 6. Exhibits**

The exhibits listed on the Exhibit Index are filed or furnished as part of this Quarterly Report.

**Exhibit Index**

| Exhibit No. | Description |
|---|---|
| 10.1 | Common Stock Purchase Agreement, dated as of July 30, 2024, by and between Greenidge Generation Holdings Inc. and B. Riley Principal Capital II, LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on July 31, 2024). |
| 10.2 | Registration Rights Agreement, dated as of July 30, 2024, by and between Greenidge Generation Holdings Inc. and B. Riley Principal Capital II, LLC (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed on July 31, 2024). |
| 10.3 | Exchange Agreement, dated as of October 24, 2024, between Greenidge Generation Holdings Inc. and the signatory thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on October 28, 2024). |
| 31.1 | Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1* | Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2* | Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101 | Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Balance Sheets, (ii) the Statements of Operations, (iii) the Statements of Cash Flows and (iv) the Notes to Unaudited Condensed Interim Consolidated Financial Statements. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

*　Furnished herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

| | | |
|---|---|---|
| | | **Greenidge Generation Holdings Inc.** |
| Date: November 7, 2024 | By: | /s/ Jordan Kovler |
| | | **Jordan Kovler**<br>**Chief Executive Officer**<br>**(Principal Executive Officer)** |
| Date: November 7, 2024 | By: | /s/ Christian Mulvihill |
| | | **Christian Mulvihill**<br>**Chief Financial Officer**<br>**(Principal Financial and Accounting Officer)** |

**Exhibit 31.1**

**CERTIFICATION PURSUANT TO**
**RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,**
**AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jordan Kovler, certify that:

1. I have reviewed this Quarterly Report of Greenidge Generation Holdings Inc. (the "Company") on Form 10-Q for the period ended September 30, 2024;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024

By: /s/ Jordan Kovler
**Jordan Kovler**
**Chief Executive Officer**

**Exhibit 31.2**

**CERTIFICATION PURSUANT TO**
**RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,**
**AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christian Mulvihill, certify that:

1. I have reviewed this Quarterly Report of Greenidge Generation Holdings Inc. (the "Company") on Form 10-Q for the period ended September 30, 2024;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024

By: /s/ Christian Mulvihill
**Christian Mulvihill**
**Chief Financial Officer**

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Greenidge Generation Holdings Inc. (the "Company") on Form 10-Q for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2024

By: /s/ Jordan Kovler
**Jordan Kovler**
**Chief Executive Officer**

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Greenidge Generation Holdings Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2024

By: /s/ Christian Mulvihill
**Christian Mulvihill**
**Chief Financial Officer**